

July, 1931

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THESE NEW IDEAS PROMISE A NEW PROSPERITY

PAGE 17

NATION'S BUSINESS

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August 1931

What Kind of Boss
Are You?

TURN TO PAGE 21

Electrified Accounting!

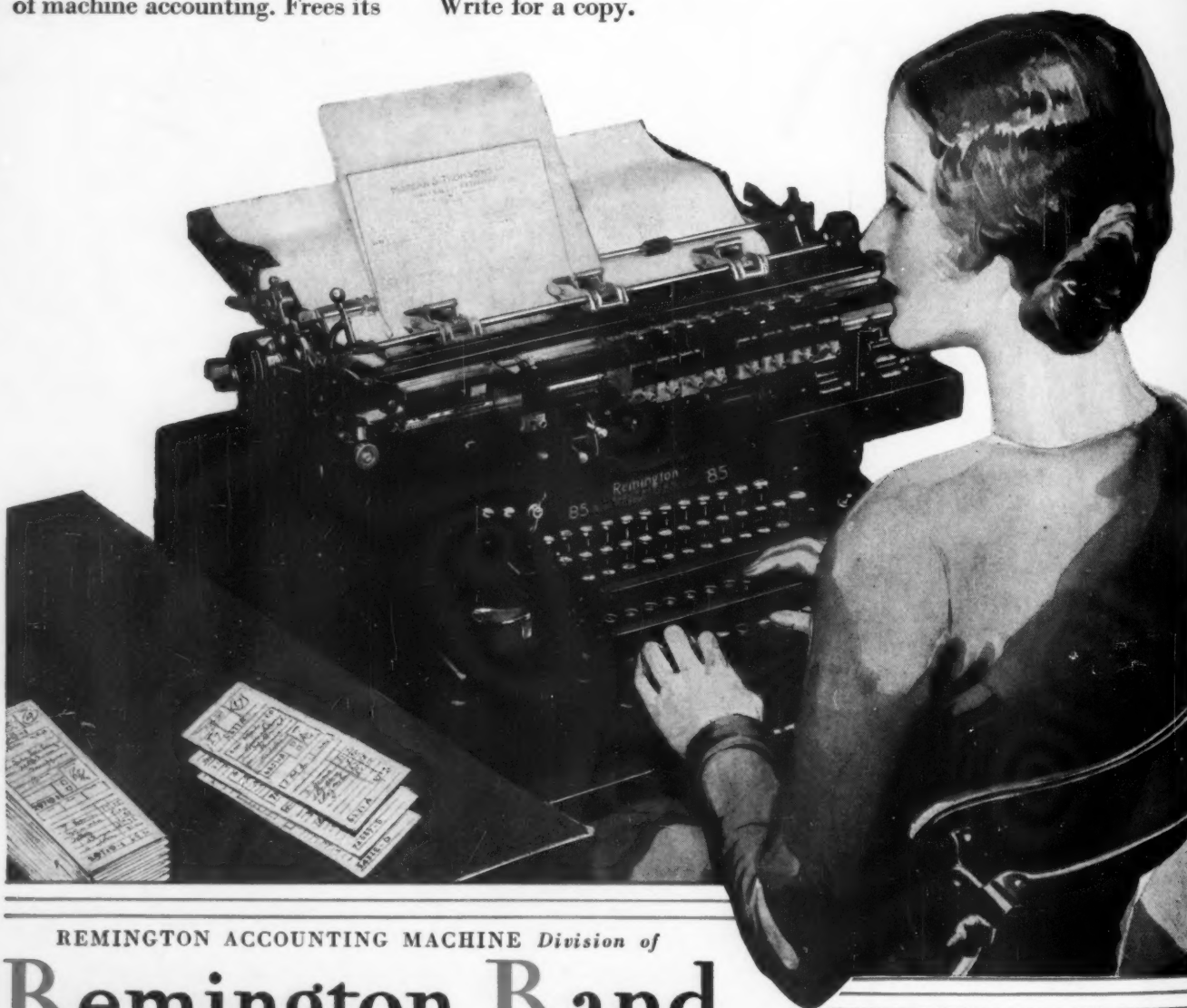
Los Angeles to New York in 26 hours. New York to Europe in 4 days. Faster production. Faster freights. Faster turnover.

And now . . . faster accounting. Because time is money and speed is profit. Achieved by the new REMINGTON Accounting Machine . . . *completely* electrified.

Ushers in an entirely new system of machine accounting. Frees its

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The machine of the future . . . but if you are interested in accounting economies you will insist on knowing about it today. An eight-page booklet tells the story of this new Remington development — interestingly. Write for a copy.



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1907
The First Adding Typewriter
REMINGTON *built it*

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Vertical and cross computing
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return
REMINGTON *designed it*

1926
The front-feed feature
REMINGTON *originated it*

1929
Dual Cross Computing
REMINGTON *perfected it*

1931
Completely Electrified Accounting
Machine
— REMINGTON

NATION'S BUSINESS for August

VOLUME 19

NUMBER 8



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THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE U. S., a great nationally known Billion dollar institution, makes such a guarantee easily possible through modest deposits set aside out of your earnings.

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After reaching age 65 you will receive from THE EQUITABLE a check for \$200 every month as long as you live.

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Should your death occur from natural causes before age 65, your named beneficiary will be paid \$200 a month for 10 years. If death occurs after 65, but before the income has been paid to you for 10 years, THE EQUITABLE will continue monthly payments of \$200 a month to your named beneficiary for the balance of the 10-year period.

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Dividends are payable after the second year until you reach the retirement age. These dividends may be used either to reduce yearly deposits or to increase the ultimate income.

If you prefer a Retirement Income only, the Equitable issues a special form which will provide an Annuity beginning as early as age 50, continuing for the remainder of your life. Use the coupon below for full information.

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LIFE ASSURANCE SOCIETY OF THE UNITED STATES

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To THE EQUITABLE SOCIETY, 393 Seventh Ave., New York, N. Y.

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Through the EDITOR'S SPECS

WHEN you and I took our first ride in an automobile down two or three blocks and back, got out of the contraption and felt the thrill of a novel experience, even those with the most fervid imaginations could not conceive that they would some day own this novelty; that they would sit with their hands on the wheel; that gas stations would spring up like mushrooms, giving a new kind of work to thousands of eager hands, and thousands of miles of new road would be built to make America a neighborhood.

And so with the phonograph. I scattered handbills for an itinerant showman who came to our town with the first phonograph. He gave me two tickets, worth ten cents each, which allowed me to hear two records by putting tubes in my ears. I heard "Drill Ye Terriers, Drill," and the "Ravings of John McCullough." This likewise, as far as my imagination could take me, was a novelty. I thought perhaps sometime again the phonograph would be brought to town and I might once more hear disembodied voices in my ears.

If some one had said "You'll own one of these, sonny, some day," I'd have thought him spoofing.

Read the leading article in this number. The new things on the fire may not fit your particular industry or business, but they should be thought-provoking and turn your mind toward your own affairs. If the article does that it will have fulfilled its purpose.

A KEEN student of affairs dropped into the office recently, who had been for ten years in Russia before the Great War. Last year he spent three months in Russia, and he was on his way to New York to catch a boat to return this summer.

"Tell me," I said to him, "in three or four sentences just what the Russian situation is like." He replied:



What must a man do to make himself worth \$10,000 a year?

EVERY reward demands a sacrifice. Every triumph, in this world, has its price.

Take the matter of money. This is a day of commercialism—of overemphasis on financial rewards. Men give their leisure, their health, their all—in exchange for cash.

Is it worth it? Must a man make so great a sacrifice in order to achieve security for himself and his family? How much should an intelligent man be *willing* to do to increase his earning power?

This page is addressed to those men who want an ample measure of financial reward—but who are not willing to cripple their lives to get it. Such men see things in correct proportion. And to such men the message of the Alexander Hamilton Institute is of thrilling interest.

For it is not the *time* you spend on business, nor the *effort*, nor the *concentration*, that brings the big rewards. It is simply and solely the *intelligence*. Insti-

tute men make more money than other men with less effort—because they know more about business.

Our records show in case after case that a man *can* have time for his family, his friends, his hobbies, and still make more money than the neighbor who never finds time for anything but work.

For Institute training means freedom. Freedom from worry. Freedom from costly errors. Freedom for constructive, profit-making thought. The kind of freedom that comes with the knowledge that your future lies in your own hands and that those hands are competent.

How is all this possible? Let us explain it this way.

How much chance would a football star of the '90s have if he went into a game today and knew only the rules and the tactics of his own time—a time when the forward pass did not even exist?

Not much chance, you will agree. Business has changed, in the last few years,

even more than football. Yet men imagine that they can gain ground in the game of business with antiquated weapons and with only the old-fashioned rules to guide them.

Make no mistake about it—business today is a new thing. The old rules don't work. Overhead is receiving a new kind of scrutiny. Small business units are being merged into big units. Security prices are subject to a whole new set of conditions. Production methods have been revolutionized. An entirely new sales strategy has been forced into existence by new competitive conditions.

With luck, a man may survive in this new business world without special training. But (and here is the point of this whole page) *he will never earn \$10,000 a year*. Nobody is paid \$10,000 just for obeying orders. But men who know the new rules, who are competent to give orders, instead of receiving them, will receive in the next few years greater financial rewards than ever before.

Has business become for you a squirrel-cage in which every year you are working harder but progressing no faster? Are your natural talents being slowly wasted in a blind concentration on mere routine tasks?

Then write for the booklet that tells how, by learning the rules of the game as it is played *today*, you can eliminate half the effort and earn twice the reward.

This booklet is called "What an Executive Should Know." It enables you to answer for yourself the question, "What must a man do to make himself worth \$10,000 a year?" It is interesting and practical from the first page to the last.

Send for it. It is free. The coupon will bring it.


To the Alexander Hamilton Institute, 502 Astor Place, New York City. (In Canada, address Alexander Hamilton Institute, Ltd., C. P. R. Building, Toronto.)

Send me "What an Executive Should Know," which I may keep without charge.

NAME _____

BUSINESS ADDRESS _____

BUSINESS POSITION _____



In those moments when a man comes face to face with himself, almost always the same question forces itself on his mind: "How can I make more money?" There is an answer to this question. The answer is on this page.

When writing to ALEXANDER HAMILTON INSTITUTE please mention Nation's Business

free this 144-page book presenting sensibly concise facts and figures for executives interested in the establishment of a manufacturing branch, a distribution base, or a sales office to serve the \$6,000,000,000 Southwest Market.

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Please send free copy of your new book, "The Southwest Market," to

Name

Title

Company

Address



Official figures again show why Dallas is Southwestern Headquarters to American Business

Because Dallas is the geographical . . . transportation . . . distribution . . . raw material . . . population . . . fuel and power . . . industrial . . . and financial center of the Southwest, 2,400 branches have been established in Dallas. The following official figures, announced by the Bureau of the Census, show the business supremacy of Dallas in the Southwest market, and two revealing comparisons with other market centers.

Dallas leads all cities in the Southwest in total volume of Business

The official preliminary figures for total volume of business, including manufacturing, wholesale and retail, for the leading Texas cities, are:

Dallas	- - - - -	\$1,001,179,450
2d City	- - - - -	696,207,637
3d City	- - - - -	479,155,050
4th City	- - - - -	299,964,505

How Dallas compares with 4 other major market centers of the country

Dallas makes a remarkable showing in comparison with market centers in other sections of the country, as a wholesale distributing center. (Official figures 1930 Census of Distribution)

Dallas	- - - - -	\$667,415,266
Baltimore	- - - - -	597,717,536
New Orleans	- - - - -	590,611,561
Atlanta	- - - - -	368,120,488
Louisville	- - - - -	251,020,820

Comparison of Dallas with 3 other leading Texas cities

Dallas	- - - - -	\$667,415,266
2d City	- - - - -	365,983,343
3d City	- - - - -	256,810,892
4th City	- - - - -	124,001,035

The above official figures are based on wholesale distribution of the four leading Texas cities. In many of the different classifications of wholesale trade, Dallas leads all three of its closest rivals combined. Here are a few examples: Automotive (Dallas) \$35,406,126 . . . (3 next cities combined) \$20,824,879; Furniture, Furnishings (Dallas) \$11,804,732 . . . (3 next cities combined) \$5,932,345; Dry Goods, Apparel (Dallas) \$46,387,593 . . . (3 next cities combined) \$15,362,073. In the dry goods and apparel field, Dallas is not only far ahead of every other Texas city, but did more volume than all other major Southwestern cities combined. The figures just given are for wholesale distribution only, and do not include manufacturing. From 1927 to 1929, Dallas County's manufacturing volume increased 43.5 per cent! A break-down of the totals, for the four leading cities into their main classifications, will be sent upon executive request. Remember, the above coupon brings you a 144-page market book containing complete information on the Southwest. Mail it today!

Dallas

Southwestern Headquarters
to American Business

When writing to INDUSTRIAL DALLAS, INC. please mention Nation's Business

"Imagine a State like Nebraska. Imagine a majority of the people felt that the State had been imposed upon by industrial sections and Wall Street. Imagine this group getting absolute control; allowing no one to leave the State, enlisting, either by fanatical sympathy or by force, each individual in the task of increasing production and yet limiting, by sacrifice, each individual to a bread and water diet. This to go on for a period of five years. The production to be sold outside the State, the proceeds to bring back to Nebraska machinery for textile mills, shoe-making machinery, technical appliances and apparatus of all kinds, steam plants for the manufacture of power and light, and so forth. Limitation of consumption of necessities bordering on privation, in the hope of a land of milk and honey, play and no work, in the near future. Nebraska trying to make herself into an industrial state overnight. Thus Russia."

THE articles by Colonel Starr on Russia continued in this number, we are led to believe, will explain what has been an enigma to many of our readers.

Colonel Starr is a practical coal operator. He spent three years in Russia designing and supervising the construction of new plants, rehabilitating existing ones and acting as adviser to Russian technical men.

He was in constant touch with the active leaders and many of the subordinate officials and workers of the Soviet, and also had opportunity to watch mining operations as affected by government direction and interference. He entered Russia with an open mind and left the country carrying no grudge. In his articles for NATION'S BUSINESS, he reports only of what he saw, not what he heard or thinks.

COMMENTS on Russia by men who know the subject are especially interesting at this time because the Soviet's Five-Year Plan is so frequently suggested as a model from which some sort of plan for business control might be drafted for America. Great numbers of these plans have been proposed. So far, none of them has been adopted. In the opinion of Warren Bishop, managing editor of this magazine, that is a good thing. He explains why in an article which begins on page 35. He admits that it is a destructive article and says he meant it to be.

WHILE Mr. Bishop is challenging the

plan makings, Walter Hoving, executive vice president of Macy's, is challenging department-store operators. "Retailing Needs Better Brains," he charges in an article devoted to consideration of retail problems. However, he does not see the situation as hopeless. Better brains are available, he says, and he offers advice on how to find them.

Representative George Holden Tinkham, of Massachusetts, takes us behind the scenes in Congress to reveal why some laws are passed even when the majority of Congress does not believe in them.

THIS is the season for travelling. Up and down the country stream cheerful vacationers, seeking new pleasures, new experiences, new scenes. They travel by train, steamship, airplane, bus, or private automobile. Their route is smoothed for them. They travel in comfort. Hotels offer them more conveniences and greater service than ever before; trains with refrigerated air; wide, paved highways permit them to drive at high speed with safety; emergency landing fields and modern airports take the hazard out of flying.

Compare the lot of today's transcontinental traveller with that of our forebears who labored along the Oregon Trail. Compare the smooth-riding train which Artist Edgar F. Wittmack pictures on our cover with the trundling covered wagon. Then imagine, if you can, how the traveller will cross the continent a hundred years from now. Will he fly; will he drive an automobile whose motor is run by power from the air as your radio picks up sound waves? Will he ride in trains hauled by electric locomotives capable of 150 miles an hour? We don't know.

But we do know that transportation 100 years from now will show as great an advance as Artist Wittmack's train shows over the covered wagon because the same forces which brought about this tremendous advance are still at work. Those forces are the public will for improvement and the will of business to give the public what it wants.

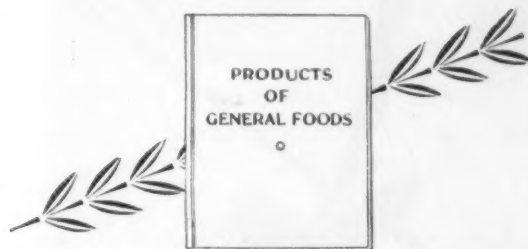
BUSINESS will pick up when you pick it up. Business has a habit of falling off without any help.

But business never picks itself up.

Business picks up only when some man, eternally and intensely interested in business picks it up—for himself and his business.

That was the theme and the thesis
(Continued on page 112)

WHAT ARE THE PRODUCTS OF GENERAL FOODS?



HERE IS the story of a family of food products . . . how 20 of your favorite foods rose from humble beginnings to an honor-place on the tables of America's millions.

To read this story is to know why General Foods, maker of these 20 nationally advertised foods and more than 60 others, has achieved its position in the world's largest business. It is to know what the 44,500 stockholders of General Foods already know—that the sales and earnings of this company have that stability which is aided by wide diversification of products in a fundamental industry.

We shall be glad to send this booklet *free* upon request to any interested person.

GENERAL FOODS

DEPARTMENT 5-S 250 PARK AVENUE NEW YORK CITY

Maxwell House Coffee, Log Cabin Syrup, Jell-O, Certo, Post's Bran Flakes, Minute Tapioca, Postum, Hellmann's Mayonnaise Products, Walter Baker's Chocolate and Cocoa, Franklin Baker's Coconut, Calumet Baking Powder, Grape-Nuts, Sanka Coffee, Swans Down Cake Flour, Post Toasties, La France, Satina, Diamond Crystal Salt, Whole Bran.

Neither Mysterious nor Miraculous



"For the Greatest Achievement in American Aviation"

(Extract from article in May, 1931, issue of The National Aeronautic Magazine)

"Aviation's dramatic march of progress from Orville Wright's first flight at Kitty Hawk to the commanding position it now holds in the affairs of the Nation was strikingly symbolized on April 22 when President Hoover in behalf of the National Aeronautic Association presented the Collier Trophy for 1930 to Harold F. Pitcairn and his associates, Geoffrey S. Childs, Edwin T. Asplundh, James G. Ray and Agnew E. Larsen.

"There was a note also of prophecy in the ceremony for the occasion included a flying demonstration that a few short years ago even the most fanciful would have held impossible.

"For the greatest achievement in aviation in America the value of which has been demonstrated by actual use during the previous year,' reads the inscription on the famous trophy, the awarding of which has been for many years an annual function of the National Aeronautic Association. For 1930 the award was made for the development and demonstration of the autogiro, that remarkable new type aircraft considered by many the most revolutionary development in heavier-than-air craft since the first flight of the Wright brothers in 1903."

THE GROWING IMPORTANCE OF THE AUTOGIRO TO AVIATION, RESULTS FROM ITS PROVABLE CORRECTNESS

ANYONE with a sufficient knowledge of the theory of flight and a capacity for higher mathematics can understand and prove the correctness of the Autogiro principle.

For more than ten years, engineers have been concentrating upon the problem now successfully solved in the Autogiro. The problem itself was clear-cut—to develop a type of aircraft which would be free of the airplane's complete dependence upon high speed for take-off, support in the air, and landing—hence immune to serious consequences from motor failure or from loss of headway through whatever cause. Freedom from the airplane's requirements of huge, prepared landing fields would follow as an inevitable result.

The Autogiro's success is the result of well-known and long-established principles in a distinctly new method of application.

Both airplane and Autogiro are sustained in flight by forces resulting from the rapid movement of the lifting surfaces through the air (wings in the case of the airplane, rotor-blades in the case of the Autogiro). The one essential difference between them is this:

The airplane's wings are fixed. Their movement through the air is therefore solely dependent upon the forward speed of the entire craft. On the contrary, the movement of the Autogiro's blades is independent of the speed of the craft itself. The speed of the blades' rotation is practically constant, whether the Autogiro is travelling fast or slow, hovering or descending. It is not affected even by motor failure.

To this one all-important difference are traceable all the Autogiro's distinctive characteristics—its ability to stop in the air, hover momentarily, descend vertically and slowly, rise sharply; its immunity to spins or other critical situations; its ease of control and maneuverability.

The Autogiro Company of America is not a manufacturing or selling company. It is solely an engineering and licensing organization. It owns and controls, exclusively, all Autogiro patent rights in the United States. Manufacturing companies of high standing will be licensed to build Autogiros with the full co-operation of our engineering staff.

Present licensees are: Buhl Aircraft Company, Detroit, Mich.; Kellett Aircraft Corp., Philadelphia, Pa.; Pitcairn Aircraft, Inc., Willow Grove, Pa.



AUTOGIRO COMPANY OF AMERICA ~ ~ ~ LAND TITLE BUILDING ~ ~ ~ PHILADELPHIA

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Prosperity in the Making

TOO frequently we hear intelligent men say that we shall never return again to the golden days of the past 30 years, because there is no automobile, or radio, or phonograph, or electrical industry on the horizon. They say they can see no counterpart in industry of the automobile, which gave work to three or four or five million people.

But who is so reckless as to say that the stimulation of men's minds which every depression brings, will not produce something which will again sweep the country by storm, will tap reservoirs of potential desires?

In this number of NATION'S BUSINESS, Mr. Willoughby has brought together a hundred new things ready for exploitation, and he lists but a small per cent of a per cent of the total. Who knows but that the cumulative effect of all these new things will not surpass the economic gains attributed to the automobile?

Pessimists say that television is too expensive, but how many said the automobile was too expensive? They say that air transport will never take the place of land transport, but, again, who would so rashly stake his reputation on such an assertion?

In a land where industrial advances are the rule, history deals with change rather than with crystallization. The high "standard of living" of which the United States is properly proud is but another way of saying we have more consumers consuming more things that make for comfort and happiness.

Philosophers may rail that we are material-minded, that national well-being is not dependent upon the creation of new things to satisfy new wants, but that individual happiness is not a matter of possessing more and more conveniences. Yet anyone with half an eye can observe that John Per Capita, Mrs. John Per Capita, and all the little Per Capitas are better clothed, better fed, better housed, better warmed

and better cooled, and better cared for in a thousand ways, through the competitive zeal of their business servitors. In sum, better civilized.

The decisive urge of American business to improve its goods and services inevitably discomfits the reactionary, the laggard and the drone. It even offends those arbitrary "gentlemen of the old school," but more than the point of epigram is in the thought that the good old days were never so good as advertised.

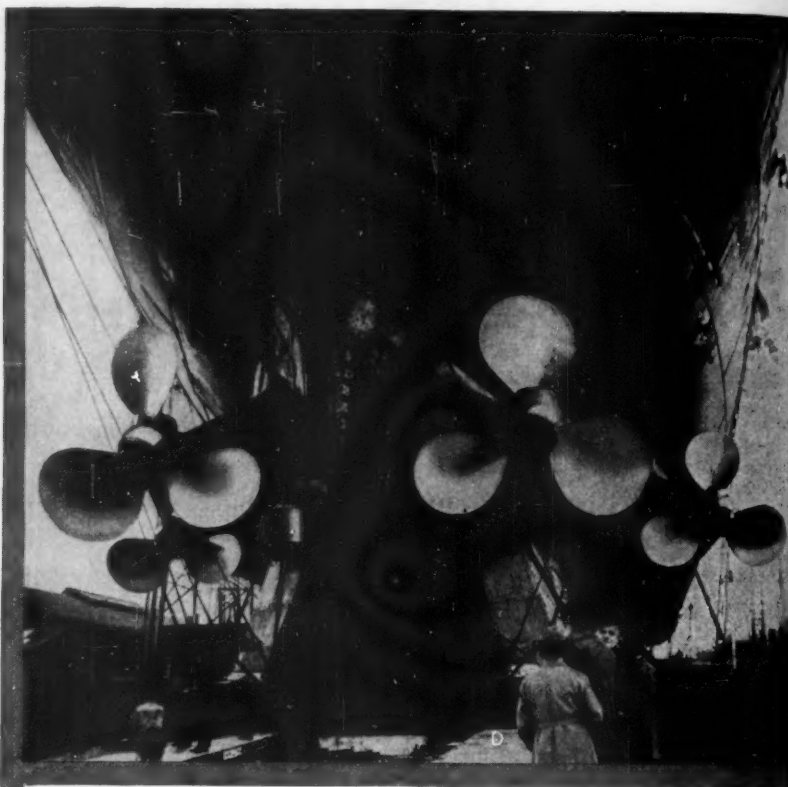
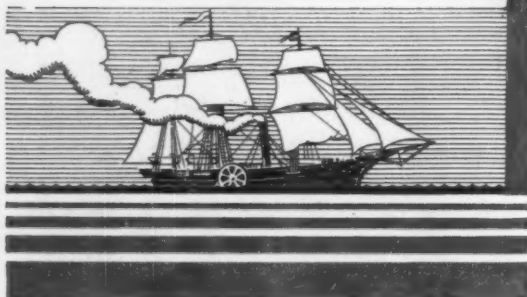
Whether we like it or not, the history of progress chronicles a surging forward, a slipping back, another surge forward, another period of stagnation. The surge forward is not a happenstance. It is a result of hard thinking under the spur of difficulty. It may be that necessity is still the mother of inventive genius. Whatever the motivating force, never doubt that a thousand minds have hatched new ideas—ideas of selling, of financing, of manufacturing, of transport, of communication, and of agriculture. As in biology, so in economics, the individual who is quick to adopt, to adapt, will survive usefully, and in so doing, will lift thousands of his fellow men to higher levels of living and life.

It has been well and truly said of business that it can never see too much, never be too wide awake. Yet it is readily apparent that management is not immune to drowsiness. Played-out methods are still in the industrial saddle because we do not test tradition against fresh thinking. Better times will not come though mere lip service to our expectations, nor can our enthusiasms be kept alive by talk. The only way to give substance to our purposes is to work for them. The only defense against the decay of enthusiasm is action. The need of the hour is a national crusade for up-and-doing wakefulness.

Merce Thompson

THE PROPELLER

was responsible
for the modern
steamship



Ethyl is responsible
for better cars
and BETTER GASOLINE

IN 1819, the side wheeler *Savannah* crossed the Atlantic under steam power, and the world said the modern age of travel had been achieved. But in John Ericsson's mind there remained the vision of improvement—a vision that became a reality after the introduction of his screw propeller.

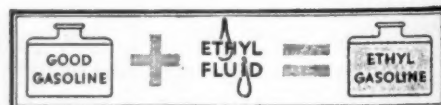
In 1920 many engineers said, "Automotive progress has reached its peak. Greater efficiency is possible only with higher compression, and gasoline can't stand the pressure."

Then Ethyl fluid was introduced. Added to good gasoline, this ingredient produced a motor fuel that would stand higher pressures without "knocking." As wide distribution of Ethyl Gasoline made higher compression engines possible, automobile manufacturers designed engines to take advantage of this improved motor fuel. These modern power plants

offer increased power without increased weight; increased acceleration and, at the same time, decreased heat waste.

Ethyl Gasoline is necessary to develop the better performance for which these high compression engines were designed. It brings out the maximum power of *any* engine.

Put Ethyl to test in your fleet and watch it *speed* up deliveries, *cut* down layoff time and *reduce* maintenance costs. Ethyl Gasoline Corporation, Chrysler Building, New York City.



The active ingredient used in Ethyl fluid is lead

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ETHYL GASOLINE



NATION'S BUSINESS

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MERLE THORPE, Editor

AUGUST, 1931

VOL. XIX No. 8

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

The Patient Wants To Get Well



OUTSTANDING in the news that affected business in June and July was President Hoover's move to aid Germany by a year's suspension of debt payments.

The world's markets leaped in response. Why should the American stock market go up in response to a plan which might mean added taxation in this country? Because, after all, depression is in part a state of mind and the business world was ready and waiting for anything that it could seize upon as good news.

While hope was reviving at this news, the things which for months had been sending shudders down the business spine—steel production, carloadings, etc.—grew no better, yet they were all overlooked.

We're an emotional people and when we're ready for good news we find it. And that's a state of mind that is going to help. Any doctor will tell you how great a factor in recovery is the patient's desire to get well.

Is Inflation Psychological?



IF BUSINESS depressions are psychological, and no doubt the state of mind is in part a factor, it would seem equally true that one of the things that brings about

the inflation which precedes the depression is also the public state of mind.

Perhaps the state of mind is a larger factor in bringing about inflations than it is in continuing depressions. A man takes a drink, feels so much livelier and more important that he takes another and another, until he's in a high state of inflation. Largely mental. Next day his head and his stomach and his nervous system are all out of gear. His condition is more physical than mental.

It never does to carry analogies too far, but it seems

to us that those who would cure depressions by telling business it's really all right might, in the next period of booming business, try the experiment of telling business that it would do well to go slowly. We applied the phrase "fundamentally sound" to business when it was sick and it didn't seem to do much good. We might try applying the phrase "fundamentally unsound" when it gets to boiling in 1933 or '34 or '5.

In any event we shall probably hear less for some years to come about "the new economic era."

Public Enemies Up-to-date



"AREN'T you afraid of the socialists and the communists of the Norman Thomases and the William Z. Fosters?" said one business man to another.

"No," was the answer, "not greatly. I am gravely concerned over the growth of government, the departure from what I believe to be the right road which is to let the individual alone as much as possible and to confine government as closely to such functions as can only be performed by a yielding of individual rights and liberties. I'd like to see the individual govern himself and order his own life rather than turn to the Government to tell him when to go to work and when to stop and when to change his shirt and how to budget his income and time. I'd like to see government moved back to smaller units of state and county and town rather than piled up at Washington.

"But I don't blame the socialists for the things that run counter to my belief. I blame the business man individually and in association who feels that he can save money by getting the Government to do things that he ought to do himself, who welcomes a subsidy in some form or other for his own industry though he cries against it in principle.

"I blame the wives of the business men who, banded together in clubs and associations, want the Government

to go farther and farther into social—and it sometimes seems to me socialistic—ventures.

"I'm more afraid of the conservative who doesn't practice what he preaches than I am of the radical."

"A Tangled Web We Weave"



SOME time ago Congress authorized the Departments of Commerce and Agriculture to spend \$25,000 to develop new markets for cotton. One result was the publication of "It's a Gift," a government booklet describing Christmas gifts of cotton. Another manifestation of government interest in cotton was support of a National Cotton Week.

Now comes the woolen industry in the person of the Botany Worsted Mills and protests through the New Jersey representatives in Congress. The industry doesn't want a woolen week but it does want a fair field and no favor.

The Public Health Service not long ago told us all that we should do better if we ate less meat in summer.

Whereupon live stock producers would say to the President and the Secretary of Agriculture something to this effect: "Haven't we got troubles enough without the Government rushing in to tell people not to use our product?"

The Department of Agriculture is experimenting with soy bean milk and according to one statement it's as good a baby food as cow's milk and cheaper.

Dairy Produce rises to say:

"There is some question as to why the Government should spend money in developing imitations of dairy products. In fact, the dairy industry has enough to contend with without having to compete with another cheap vegetable oil imitation."

Perhaps the powers of the Federal Trade Commission to prevent unfair competition should be invoked.

Price Maintenance Is Too Expensive



ANOTHER chapter has been added to the long controversy over resale price maintenance. The Federal Trade Commission, after questioning manufacturers and retailers and even consumers, has told the Congress that in its opinion there is no need for such price maintenance legislation as proposed by the Capper-Kelly Bill in its original form. The Bill went through the House last session but emerged so maimed that its sponsors hardly knew it and was allowed to rest peacefully in a Senate Committee.

The Commission sees two great objections to legislation: the difficulties of effective federal administration for any legislation that might be passed and the possible injustice to the consumer. It is interesting to read this from a federal agency:

It appears that, in order to protect the public from the consequences of such apparent simplification of business conditions for the manufacturer and his distributors, elaborate governmental administrative machinery would need to be provided to prevent numerous abuses injurious to the consumer and to the retailer from developing under the conditions thus created, and such governmental participation in the control of prices is a dangerous

departure from existing policies with respect to price-making in the ordinary course of commerce, as well as of questionable efficacy.

Advertise When It Helps



TOO MANY go to church because others do, because it keeps them in the public eye, because the choir is good, because it is a respectable thing to do and for a dozen other reasons than that they have faith in the church and its creed. And these folks stay home when it rains or when their interest wears out.

Advertising has the same trouble. Too many advertisers are non-believers. They like seeing their names and their goods in print, they feel that "maybe" it helps, certainly it doesn't hurt. They are glad to advertise when times are good and a little extravagance and display seem justified. But do they believe that their advertising is an essential part of their business, as essential as the machines that make their product or the salesmen who call on customers? Not a bit. Advertising is the first thing to go overboard followed perhaps by the last new "vice president in charge of This-and-That."

What advertising needs is more converts to the faith who feel that their advertising is not an emotional outburst but a part of their long time plans to grow through better selling of better goods—not a thing lightly to be discarded or interrupted.

But if advertising needs more converts perhaps it needs also more evangelists to preach the true faith, more agencies and more publishers to say to the advertiser:

"If you don't believe, don't advertise. To advertise when you feel prosperous, to advertise to oblige someone or other is to throw money in the gutter."

Said an able manufacturer:

"The hardest thing to do with an advertising manager is to keep him from spending all his money when times are good and make him save it for bad times when it's really needed."

Times are bad but already they show signs of becoming better. When they are really good, can advertising men direct some of their great abilities to making true believers of those in the pews who are enjoying the music and displaying their new clothes?

Converts Needed For Cooperation



WHAT we have just said about advertisers is true of trade association members. All too many of them look upon their membership in these organizations, not as a vital essential part of their business to be budgeted alongside of fuel and labor and raw material, but as an agreeable gesture like running up the flag before their houses on the Fourth of July.

The trade associations in actual membership have weathered the storms of 1930 fairly well. A loss of 1 per cent is shown for that year compared with 1929 in figures compiled by the Trade Association Department of the National Chamber. Not a bad loss though the drop may continue through the current year.

The figures regarding the annual turnover which the Department has been able to assemble are more significant. They show that membership losses are about 8 per cent a year. Reasons aplenty can be assigned, mergers, failures, change of a company's product,—these are more or less inevitable, but there is another cause, the failure to make the new member a true convert, to make him realize the importance of the trade association, to make him believe in it, believe that he can get his money's worth from it and that it is necessary for him to work in it and with it to accomplish that result.

The trade association, too, may need its evangelists and, more than all, evangelists whose converts shall "stay put."

Market Studies Mean Sales



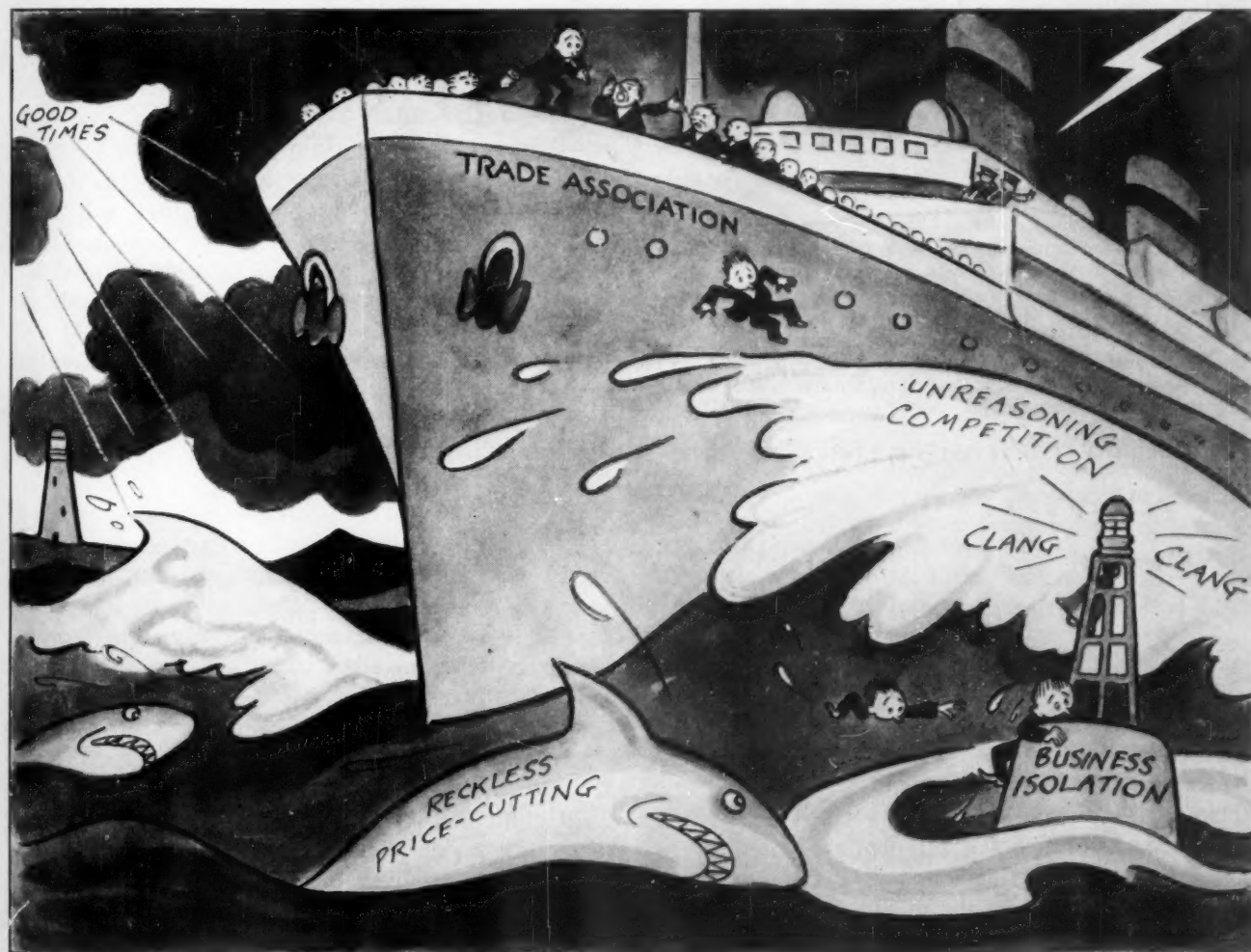
LAST season—1930—was a tough one for circuses. In spite of business conditions, ten typically American tented amusement institutions came out of winter quarters in the early spring and took to the rails "to find the money." In circus vernacular these were "railroad shows," and a railroad show can jump a hundred or more miles between daily stands and four hundred miles between Saturday night and Monday morning without losing a performance.

Yet one of the daring ten "folded"—that is, closed its tenting season, early in July. Another followed suit a few weeks later. A third "went to the barn" just past mid-season. Only John Ringling—circus king—kept his six big circuses functioning close to an average circus season, their closing dates running from September to the middle of October and their season's mileage from approximately 8,000 to 15,000 miles.

Incidentally, "Mr. John" didn't lose any money. Neither did the thirty-odd truck shows on the road. The latter broke even or showed a profit because of economy of operation. It is cheaper to transport a circus on motor trucks than on railroad cars. But general business depression plus drought in mid-western and southwestern territory put the less skillfully routed circuses out of the picture.

Last winter was a period of study.

This spring only eight of the larger circuses hit the road—on rails. Careful analysis of trade conditions, through banking houses, chambers of commerce, bill-posters, scouts and interested friends, among whom were members of the Circus Fans Association of America, Inc., guided the big railroad shows in their routing. John Ringling sent five of his circuses on tour. One of these, the A1 G. Barnes, has broken previous season's records in California. Another, the Ringling-Barnum, has "put them on the straw" in many eastern cities.



Isn't it foolish to jump overboard in a storm? Some trade association member and our artist has here told in pencil what the editor tried to say with a pen on the opposite page

The Sells-Floto, Hagenbeck-Wallace, and Sparks have stayed in the black by showing eastern territory.

By careful selection of cities and towns, by careful attention to advertising, by strengthening rather than weakening their material these "big shows" whose daily overhead ranges from \$3,000 to \$15,000, are doing so nicely that "Mr. John" has enjoyed his annual summer tour of Europe. More than thirty circuses travelling on motor trucks and passenger cars are also ahead of last season's attendance records.

Our tented shows are proving that there is plenty of paying business if the business man knows where to find the markets.

Figures That Do Not Jibe



THE Census of Distribution has recently yielded up some interesting figures.

Late in June the Bureau announced that the annual sales through retail stores in this country were about \$50,000,000,000 with direct sales from manufacturer to consumer of about \$3,000,000,000 more. Sales per capita showed great divergences ranging from \$172 per capita in South Carolina to \$575 in New York and California and \$681 in the District of Columbia.

These were figures full of meaning for men who were planning their own businesses for as far ahead as they dared.

Digestion of these figures had hardly begun when early in July the Bureau gave out figures which showed that the total wholesale trade of the country was between 69 and 70 billions. An excess of 20 billions for wholesaling over retailing was plainly puzzling and the Bureau explained:

The difference is accounted for by the fact that the volume of wholesale business includes exports made by wholesale establishments, sales to industrial consumers, and involves duplication in handling at various stages of the movement of goods from producers to retailers and to industrial consumers. The retail business, on the other hand, includes sales made to ultimate consumers only. The Census figures show, however, that more than 50 per cent of the wholesale total is accounted for by the sales of wholesale merchants of the usual type.

It is plain that there is need for a better definition of wholesaler.

A Menace Or A Saving?



FOR those who contend that the chain store is more or less of a menace to the community, particularly since it allegedly takes money out of a town and sends it to some

home office far away, Bulletin 84 of Harvard's Bureau of Business Research might prove stimulating. This bulletin is a study of the expenses and profits in the chain grocery business in 1929.

Here one finds that one and two-tenths cents is the total net profit on a dollar sale made by the average chain grocery unit in this country. Of the consumer's dollar, 80.6 cents goes to the manufacturer. It costs a chain grocery 18.2 to do a dollars worth of business.

To cover their costs of doing business and their net profits, chains took out of the consumer's dollar 8.8

cents less than did wholesale and retail grocers together, on the average.

Chains have been accused of many things, but on these figures it would be difficult to accuse them of profiteering.

Raiding The Breakfast Table



FROM Michigan comes a report and the New York Times thinks it is fit to print that Henry Ford is growing cantaloupes on his 3,000 acre experimental farm and that

from them he purposes to make alcohol to be used as a solvent for paint for his automobile industry.

Hardly had we staggered down to the office with the breakfast cantaloupe still fermenting within us than we read that another breakfast product was threatened—a German chemist had made albumen from soft coal. A little attention to the question of the yolk and the bituminous egg will be upon us as the cantaloupe retires to industry.

A fearful and a wonderful world of change in which we live, a world in which business must ever be on the lookout for those x-forces, those upsetting things that make or mar a business overnight.

The Capitalistic System of Wages



"FROM each according to his ability; to each according to his needs."

That in various wordings has been set down as Socialist doctrine and has been hailed as part of Russia's plan. Joseph Stalin, in his address to Russia's industrial directors made on June 28 and made generally public July 5, sees a new light. He would have "readjustment of wages to make the scale commensurate with the type of labor performed" (this phrasing is that of the Associated Press). According to the New York Times Mr. Stalin holds that "wages . . . should be paid according to the difficulty of the work and the skill of the worker."

In short, Russia is veering to the theory that the amount and the quality of the products are inevitable factors in setting the wage of the producer,—a dangerously capitalistic theory.

Revision in Bonus Payments



THE storm over bonus payments in the Bethlehem Steel has ended, the minority stockholders have stopped their suit and executives will continue to be paid on a profit

sharing system. But some radical changes have been made in methods of bonus payments. In the first place there will be no secrecy about them. Moreover the bonuses will be figured after obsolescence and depreciation instead of before.

These are important changes but the final result seems to be a victory for the principle that sharing in profits is a proper way to reward management. Certainly there can be no greater stimulus to effort. To know that the harder and the more effective the work the bigger the income acts as a spur on most of us humans.

These New Ideas Promise a New Prosperity

By Raymond Willoughby

Of the staff of NATION'S BUSINESS



"TO SELL today," said the manager of a great retail business, "an article must have two points. It must be cheaper than it has been in recent years and it must have some point of newness so that the buyer feels justified in discarding the old. We have sold more men's bathing suits this year than ever before because our price was lower than it had ever been and we had a new style suit. We couldn't have sold such quantities of the old pattern at the lower price or the new pattern at the old price. But the two together were good." Exactly! As Mr. Willoughby points out in this article, that merchant made new customers

PESSIMISTS weigh overproduction and underconsumption and tell us that we can never again expect prosperous times such as we have enjoyed in the past because there is no new thing to give us this prosperity. New things make customers. Many people say that the new customers made by the automobile helped pull us out of the depression of 1908; that new customers made by the radio hastened recovery in 1921-22.

In the final analysis, the making of customers is the primary function of every business. The fact that you have made a million things is of no importance until you find a million people to buy those things.

Today the production of customers has been slowed up and business feels the effects. Pessimists say we must remain slowed up.

That is at least a hasty conclusion. Men's minds always work faster in depressions. It is true that no customer-making force such as the automobile or radio is visible at the moment but hundreds of new things are planned. Perhaps the cumulative effect of a thousand innovations will be equal to that of a single thing like the auto or radio.

Furthermore who can say when, out of the laboratories and research departments, will come some new thing that will sweep the country as did the automobile? The possibilities are endless.

A new kind of house might very well create the same volume of sales over 20 years as the automobile did. Who knows but some device will be found to take the place of pots and kettles in the kitchen—something that can be used and thrown away.

Truthfully it can be said that America is a land of laboratories, the home

of forward-lookers in the best sense of the phrase. What they are seeing and doing is news of first page importance.

Headlines continue to come out of the research laboratories of the building material manufacturers. Among the latest innovations are ankle-high radiators, aluminum for framing tall buildings, imitation lava for making interior concrete floors, and a metal covered wood that presents the possibilities of imitating wood, marble and fancy plaster effects.

Building from the top down

MEN of science are trying to make practical use of heat-supplying rugs and tapestries and glass brick to make "hung" buildings absolutely all window. The "hung" building is designed for suspension from a fabricated metal frame. Writing in the *Dow Service Building Reports*, Allen Beals says there are now at least two "hung" buildings in New York City, and one man has built models of a house which hangs

suspended from a fabricated steel pole set in bed rock. In actual construction, Mr. Beals writes, this building would be encased in transparent walls of glass brick, already in production in this country. The floors would be of light weight concrete, the aggregate of which is pumice stone found in deserts.

Floor weight is an important structural consideration, Mr. Beals points out, in dimensioning modern buildings to quarter-mile heights and block-square areas.

For their part, the steel makers are endeavoring to develop an insulating and sound proof wall board from slag, the waste accruing from blast furnace operation. Blown into fiber, this waste would be compressed to sheets of desired thickness. Used as siding with steel framing, the all-steel house would become a practical consequence in this country as it has in France and Germany. "Battledock" welded floor constructions and welded buildings are no longer a novelty.

An elevator of a new type, with two

cars operating separately in the same shaft, has been built by the Westinghouse Company and put in regular service in the company's main office building at East Pittsburgh. It has long been obvious that if cars serving the upper and lower floors of a high building could be operated in the same shaftways much space now given to local service could be omitted and a considerable amount of additional revenue-producing floor space could be brought into use. Savings of from \$35,000 to \$85,000 a year have been figured as possibilities in New York and Chicago buildings.

Automatic garages

ANOTHER innovation in the construction field is the automatic garage. Where ground space is at a premium, a perpendicular development is indicated, as in the Grand Central Garage in New York City, a unit based on the Kent system of automatic parking. One operator can receive, park and deliver cars without leaving the central control station. The chief mechanical features include double-width express elevators and rubber-tired electric towing units which can be routed to the storage lanes on the various floors. Cars can be brought to the ground floor and set out for delivery in from one to five minutes.

"No human hand touches your car," the slogan reads. The Westinghouse Company has also introduced a multiple unit, mechanical garage which operates at the touch of a button.

That the utilization of real estate has been accelerated by new ways of living is convincingly attested by the 32 new uses for urban land reported by the National Association of Real Estate Boards.

These uses include archery ranges, gas stations, open-air soft drink stands, outdoor shoe-shining stands, drive-in open-air markets, open-air nurseries, display spaces for garden furniture, "auto laundries," automobile parking, pony rings for young riders, tourist camps, and sites for radio stations and airports.

Single family houses in this country will undergo decisive changes within ten years, says Herbert U. Nelson, executive secretary of the National Association of Real Estate Boards. The house which he says will dot the landscape a decade from now will have a flat roof that can be utilized for outdoor living rooms. It will have opaque windows as wide as store windows, providing an abundance of air and light without loss of privacy because, though the

sunshine can get in, the public gaze cannot.

He predicts thinner and thinner walls and partitions which will save so much space and expense that the builder can add another room without increasing the dimensions of house plans used at present. He pictures the future dweller beating the heat with pleasant breezes wafted from the house cooling system.

As for basements, they will be eliminated entirely, Mr. Nelson thinks. The heating systems will be placed in garages, for every house will have a garage attached at the side. This attached garage may change styles in lots by making necessary broader sites which in turn may affect architectural design considerably, Mr. Nelson believes, the kitchen and service rooms facing on the street, with living rooms in the rear.

Cities of the future, as viewed through Mr. Nelson's lens, will have buildings a block long, but no higher than today, and a noiseless elevated system will transport the crowds via the air and sunshine routes. In this vision there are no lamp posts, car tracks or mail boxes. Towns of the year 2000, he says, will have no towering skyscrapers, nor will their streets be double or triple decked. For the final touch of apostasy he declares that community airplanes of the future will not utilize office roofs for landing space.

For an opposite viewpoint a text is readily at hand in the reckoning of George T. Mortimer, New York mortgage banker. The skyscraper has just begun to fight, he believes, by reason of setback construction, better steel skeletons, and improved elevators. How much higher this type of construction can go above the Empire State Building is something "no one would dare to predict."

Futuristic residences

SOME of the architectural forward looking has been translated into interesting substance—for example, the "Aluminaire" house displayed at the Architectural League Show in New York. Built of aluminum, steel and glass, this futuristic dwelling is equipped with neon lights, removable partitions and a roof garden. Not the least appeal of this design is the minimum of housekeeping required.

The immediate significance of this consideration is forcefully brought home by an estimate made by a vice president of the General Electric Company. The labor hours performed by women in the homes of this country, he said, exceed a billion and a quarter a week—more

than the total labor hours performed by their husbands in factories and other places of employment. Factories close and business shuts up shop, but housekeeping, it seems, goes on forever.

"Where do you shake out the ashes?" the gag which greeted drivers of the automobiles, still begs for answer. Even so, the din raised by the ash man and his mates is now in a way of revision by a pneumatic suction device which effectively whisks the ashes from furnace room to a truck by means of a motor-driven enclosed belt conveyor.

Many changes in heating

ANOTHER step toward interior decoration is the oil burner in pastel shades—baby blue, pink, and the like. Changes in heating apparatus are more than color deep, of course. Recent marked improvements in the automatic regulation of temperature and the steadily increasing demand for it lies back of the entrance of the General Electric Company into the field of domestic heat control. The replacement of hand firing, whether in the control of coal, oil, or gas heating by electrically operated devices is foreshadowed in much of the new apparatus now being manufactured.

A new twist to the old art of rope making is discernible in the "preformed" product of the American Cable Company, New York. The new construction process preshapes each strand of wire to the exact form it will take in the completed wire rope. Seven advantages are gained, according to the company's representations—"preformed rope" handles more easily, resists kinking, will not rotate in grooves, is safer, is easy to splice, spools perfectly, is free from stress.

Every user of a gasoline engine or a Diesel engine, whether in an automobile, in a boat, or on a farm, and likewise every householder who has installed an oil burning system in his home, not to mention the larger consumers of fuel oil and gasoline, is vitally interested in the rapidly changing phases of the oil situation.

How will the continually improving methods of recovering gasoline from crude oil affect the supply of gasoline and fuel oil? What will be the effect of the proposed conservation plans? How will the rapidly increasing production of oil in Russia affect the market here?

So decisive has chemistry become in shaping industrial destinies that one firm of technical investigators recommends a periodic "chemical audit." The significance of industrial life and growth are impressively revealed in the new

material contrived in the laboratories.

Never before, as an observer comments, has the artist had so many interesting substances with which to work. For this wide choice, he says, credit must go to the research chemist, who has developed the synthetic resins, the untarnishable alloys, the Celanese and rayon fabrics, Vitrolite glass, Duco-type lacquers, and the new processes for chromium plating and manufacturing jeweled colored mirrors. Nowadays, a material is chosen for its individual characteristics, not because of its resemblance to something more rare or costly.

Beauty and utility

TABLES with gleaming metal bases and lustrous tops of laminated resinoid present a distinctive feature of the present mode. Resinoids hold a unique position in the realm of decorative design because they couple beauty with a remarkable utility. It is said of Bakelite table tops that "they withstand the years, the drinks, and the cigarettes." "Durez," another resinoid used for making bottle and tube closures, is now obtainable in many colors.

The varnish industry is in a period of radical adjustment. Methods and products which have stood the test of centuries are under pressure from the synthetic creations of the laboratories. Because of its extraordinary toughness and adhesiveness, together with its ability to stand high temperatures, "Glyptal," one of the newest synthetic resins, is finding use in coating furnace stacks, electric furnace parts, engine parts, and also as a seal against water, gas and oil leaks, and as a primer for lacquers.

Real wood which can be cut with scissors and bent almost double without breaking is offered in a new product which combines the texture and attractiveness of natural wood with the workability of heavy cloth. As the Little laboratories report it, it is made by gluing a thin veneer to a paper or cloth backing. After being dried, it is flexed by a mechanical process. It can be applied to walls by paper hangers and finished with sandpaper, shellac and wax. It can be applied to plaster, metal wall board, or cheaper grades of wood. It may supplant the increasing use of painted imitation of wood grain in Pullman cars,

elevators, and in the manufacture of furniture.

Fireproof wood is nearer a reality through tests by the Forest Products Laboratory at Madison, Wis. Wood is treated with diammonium phosphate solution. By charring the specimens so treated, it has been definitely determined that this wood has exceptional fire resistant qualities.

New film emulsions and new cameras continue to sustain the aspect of novelty in the world of photography. A new "super sensitive panchromatic" film is advertised by the Eastman Company as several times faster than ordinary film and plates. Only one-third to one-fifth as much light is needed, its producers contend—a marked advantage in picturing factory interiors and close-ups of machines and operators, to say nothing of the gain in dispensing with the usual clutter of lamps to give the proper lighting effects.

Self-photography is now possible by means of the so-called "photo-reflex" device perfected by Luther Simjian of Yale University. The image of the subject is seen in a mirror in the exact size it will be in the finished print. When the desired pose is achieved, the sitter presses a button and a concealed camera takes the picture.

A fireless, smokeless, odorless and noiseless photographic flash lamp has been developed by the General Electric Company. The flash is confined strictly within the bulb, which means that the lamp can be used in places heretofore impossible to "shoot"—trains, theaters, airships, and underwater views.

Possibly the old line about "the knights of the grip" is in a way of re-

vision through the new portable telephone for reproducing commercial talking pictures—"a theater in a traveling bag," its makers call it. At 50 feet, the projected picture is about six by eight feet. Both the RCA and the Western Electric Company have entered the market with these portable projectors.

"Magnafilm," a feature of the Rivoli Theatre in New York, was developed by experts of the Lasky Corporation. The gain in depth of focus and stereoscopic effect is readily apparent in projections of the 20-feet-by-40-feet screen.

Motion pictures can be shown with or without music by means of the "Visionola" marketed by Wanamaker's stores. This instrument reproduces talking pictures, plays phonograph records, and includes an eight-tube radio set.

A camera that can catch an object at 200 miles from an altitude of 10,000 feet is being groomed by the Navy for use in battle maneuvers. Invented by an amateur, the report goes, the instrument is awaiting test under conditions that would simulate those of combat operations.

Demand and selling

IT is possible to show that as much thought and energy go into the making of markets for new ideas as into the search for the ideas themselves. "Demand" is largely a creation of the imaginative promoter. He cries his wares to the world, and if his wares are good, he prospers. The great, good natured crowd known as "the public" wants only what it knows enough to want.

Commercial promotion is itself a fine art, marked with revising changes and severe competition. Witness the spread of the frozen food idea. Quick freezing processes have been applied commercially to fish, meat, green peas, string beans, spinach, cherries, grapefruit, raspberries, peaches, and fruit juices. In the summer of 1930 a considerable part of the Georgia peach crop was frozen for the inter-season market. The freezing of juice from this season's Florida orange crop is estimated at from four to five million gallons.

Large integrated companies, individual specialty stores, hotel and restaurant supply houses are pushing frozen foods, and the milk man is delivering orange juice with the morning bottle of milk. Both the National

THE TOWER which supports the Lindbergh Beacon on the 39-story Palmolive Building is 75 feet high. The builders had to get the girders to the roof. The question was solved thus: A small derrick was knocked down and taken up in an elevator. It was put together and used to haul up parts of a larger derrick. This in turn raised a third. The sixth derrick so raised was large enough to handle the girders. In such wise, the problems of change and progress are solved. Small gains are made at first, then larger ones. Final results may be large enough to swing your business to success—or complete failure

Dairy Products Company and the Borden Company have announced plans for distributing orange juice to customers on milk routes in some of the eastern states.

How development in one industry speeds improvement in another is readily disclosed in a look at the design of paper board packages. With the perfection of the quick freezing of foods for retail distribution, the need for better paper board packages became of immediate importance. The answer of the designers is now on view in paper board packages printed in colors, lined with grease proof and moisture proof coatings, and fitted with transparent windows for visual inspection of the contents. A pioneer in this field, the Robert Gair Company, has just announced corrugated containers with "Gairtite," a new moisture-proof gummed tape which insures a strong tight box under all conditions of humidity.

Prices and mass production

THROUGH continual improvement of processes the price of helium was reduced from \$1,700,000 a thousand cubic feet in 1916 to \$35 a thousand cubic feet in 1930. This reduction brought the cost of using helium in airships almost to a parity with hydrogen.

When the company that was marketing diatomaceous earth from the deposits at Lompoc, Calif., was incorporated in 1912 as the Kieselguhr Company of America, the sales totalled 2,000 tons a year. Through the search for new markets, the volume was raised to 100,000 tons by 1928. So important had the business become in providing filler for food products and heat insulation that Johns-Manville acquired it in 1928.

The first pound of solid carbon dioxide for commercial refrigeration was sold by the Dry Ice Corporation of America in 1925. In 1929 the production had risen to 15,000 tons, and by the end of 1930, the total production was about 30,000 tons. Eighteen plants are now operating. It is a matter of record that Seattle ice cream packed in dry ice has been shipped to Germany.

Not so long ago radio tube manufacturers were using platinum-iridium for filaments at a cost of \$1,600 a pound. Dr. Lowry of the Westinghouse staff discovered an effective substitute in a compound of nickel, cobalt, iron and titanium. He named this alloy Konel. Konel costs a few dollars a pound. A penny now buys what a dollar used to. The promotion and development of Konel provides a brilliant example of our supplantive competition.

The big development of last year in the radio market was the midget receiving set. It was scaled to the size of the public's pocket book in a depression year. It did not become a serious factor until the fall of 1930, but 1,130,000 of these miniature sets were sold before January 1, 1930, or about 30 per cent of the year's total sales. The expectation is that sales of the small-size receivers will account for 50 per cent of the total sales for the current year.

Wider fields for radio

SIX separate, independent and non-interfering voice channels are available over a radio transmitter developed by the General Electric Company. Through this transmitter it would be possible to carry simultaneously the addresses of six persons, and it could also be used for television and voice transmission at the same time.

At station WGY in Schenectady is a veritable library of sound. If a play director wants to put on a street scene, all he has to say is, "Joe, get me a can of traffic." All the other required noises are readily on tap. A couple of hundred feet of ocean surf would come forth just as easily. Thunder, the uproar of a riot, water falls, applause, a speeding train—each distinctive sound has a place in this library.

A whole dictionary of industrial progress could be compiled from the list of exhibits announced for the National Exposition of Mechanical Handling to be held in New York City from November 30 to December 5. From A almost to Z runs this literal inventory of the machine age:

Ash hoists, barrel making machinery; battery charging apparatus, box making machinery; blocks, brakes, capstans, chutes, computing devices; conveyors, containers; engines, excavating and road building machinery; flumes; folding and closing machines; forming, drying and seaming machines.

Also, fuel and refuse handling equipment; gravity conveyors; haulers, hawsers, and rope; labels, brands, and stencils; lithography equipment; lubrication systems and lubricants; horizontal and vertical material handling devices; motors; packing and packaging machines; platforms; pumps; recording instruments; shipping room equipment; slings; storage batteries; swivels; transmission equipment; unloaders; weighing machinery; winches and windlasses; and wire and steel strip tying materials.

Transportation by air, by land and water is attaining a larger stature by reason of the change makers. The art

of flying has been enriched with the magnetic compass and altitude control. Haze and smoke, aviation's traditional enemies, are yielding to more powerful lamps and beacons. The new Merrill plane with tiltable wing structures promises to take all guesswork out of landing calculations.

Newspapers tell their readers that the railroads are asking for rate increases and regulation of competing transportation. Not so conspicuous in the news is their continuous improvement of service and facilities, as witness the Pennsylvania's order for 16 million dollars' worth of equipment for electrifying its lines, and the Baltimore and Ohio's installation of air-conditioning apparatus on some of its crack trains.

Street cars of the future are foreshadowed by the American Electric Railway Association's assembly of a \$500,000 research fund. Specimen cars from various cities will be brought to Brooklyn for test and study.

As for trans-Atlantic transportation, a shift in passenger appeal is readily apparent. The *Lusitania* and the *Mauretania* put a decisive emphasis on speed. Size and luxury flowered opulently in the gargantuan dimension of the *Majestic*, *Leviathan*, and the *Olympic*. The *Ile de France* appeared as a polished exponent of smartness—of *art moderne*. Speed again became dominant in the lithe majesty of the *Bremen* and the *Europa*. Most recently, a luxurious spaciousness of individual accommodations has been underscored, as in the new *Empress of Britain*. In her first class space there are no inside rooms.

More palatial steamships

LOOK over the advertising of the steamship companies and you will at once draw a parallel with the facilities of the modern hotel—rooms with private bath, beds in place of berths. "Club" diversions and famous dance orchestras are other established hotel features now enjoyable aboard ship.

Mythical as the blue ribbon of the seas may seem, it is a prize that invites international competition, and bigger and better ships are on the ways or the designing boards in many countries. Notable among the companies in this competition with change are Cunard, French Line, United States Lines, N. G. I., Lloyd Sabauda, Sud Atlantique, and White Star. The report goes that their new entries will gross from 40,000 to 70,000 tons, and turn up 24 to 30 knots an hour. What these sizes and speeds mean in design of hulls and en-

(Continued on page 78)



He would not enjoy seeing how they laugh at his bluff when his back is turned

What Kind of Boss Are You?

By AN EMPLOYEE

ILLUSTRATIONS BY ALBERT DORNE



PLACE, an office. Time, two, ten. The boss is not back from lunch yet.

The chief bookkeeper is ragging a clerk about a mistake in addition. The switchboard girl has gotten her connections twisted. One of the stenographers is having a nervous tantrum. The boss's secretary is explaining something for the third time over the phone.

You know, if you have observed many offices closely, what the boss of this particular office is going to be like when he turns up. He will be in a hurry, trying to think of two things at once, not listening with both ears when spoken to, resentful of details brought to his attention, wordy but not quite clear in his instructions; and at least once in the afternoon he will lose his temper and bawl somebody out. For it is a rule which we employees know well, that the office invariably reflects the personality of the boss.

Since the days of Frederick Winslow Taylor, and probably long before, employees have been studied, classified, tabulated, analyzed and rated according to methods more or less scientific. They

NATURALLY you think you're a pretty good executive. But, the chances are, you know more about your employees' abilities than you do about your own. Just how good are you, anyhow? If you dare take a chance, the questionnaire on page 24 will give you accurate advice

have been subjected to reaction tests, their fatigue ratios studied and correlated for each hour of the working day, their motor reflexes recorded by delicate instruments, and their efficiency graded in relation to everything from the amount of liquor they drank on Saturday night to the color of their neckties.

Efficiency in employers

AS A result something like a science exists today to measure the efficiency of the employed. But has any approach ever been made to the science of employer-efficiency?

The rule of thumb in most offices is

that a man who has made good in a smaller job is likely to make good in a larger one. But that is obviously no true measure of employer-efficiency. Among the qualities which enable the executive to succeed are such things as ability to foresee a coming demand or specialized knowledge of a certain line of goods. These have nothing to do with his ability to get the best results out of a given number of human beings. The ability to boss people is a special gift, and I sometimes wonder, from my

comparatively modest place in the office, how many of the high executives ever ask whether this gift is present in the minor executives whom they place over their employees.

I have worked under a number of bosses, ranging all the way from those who got from me three times the value of the work they paid me for (and made me proud to give it) to those who allowed me to do nothing of real value and didn't know the difference.

I see employees around me who are doing important and highly responsible work which is ignored because they don't know how to impress the fact on their employers. I see others who are

doing nothing to speak of, but stay on the pay roll because nobody has ever thought to take them off. Probably this is true in most large offices, or at least in many. Undoubtedly the malingering will be found out in the end; undoubtedly the efficient man will eventually rise to the top. But meanwhile, what a waste of energy and money!

Employees know a good deal about office efficiency which they never tell because they are never asked. I think that if a scientist were laying out a course of investigation in employer-efficiency, he would have to talk with the employees one by one.

They could not, of course, sit in judgment on their employer because they don't know enough about the office work as a whole. But they could answer certain questions which would have to be answered before the boss's rating could be definitely established. These would be the class of questions tending to show whether the employer was getting the best his employees had to give or whether their efficiency was being diminished by unnecessary nervous friction and discontent.

That is why I am suggesting, as a kind of first experiment, that the employees who read this article fill out the questions on page 24 relating to their own boss, and tentatively rate his employer-efficiency for themselves.

There is one obvious difference between the machine worker so exhaustively tested and rated by the Taylor system and the office executive. The machine worker is also a boss, but he is boss of a mechanical contrivance whose performance is automatic. The executive has to work with a machine composed of human beings subject to unpredictable variations due to digestion, the weather, love affairs, worry and a thousand other human factors. The chief bookkeeper in the office where this article opened ragged his clerk because his wife ragged him last night. The switchboard girl got her connections twisted because she was worried about the rent. The stenographer had a nervous tantrum because her boy friend had broken a date. And so on through the office. The flaws in this human machinery came out under the strain of office work because the boss did not really understand

the business of an executive. The business of the executive, so far as it concerns getting the best work out of us employees, is to delegate responsibility.

Obviously, if he could do all the work himself he would not need employees. Since he needs employees, he must give them part of his responsibilities, in the right measure and of the right kind.



The boss who carries a full portfolio home

Every employee I have ever met (bar none, since I have met no congenital morons) likes responsibility—at least so much of it as he believes he can handle. It feeds his self-esteem; it enables him to hold up his head in a suspicious or indifferent world. There is nobody in any office who can't

be trusted to do something, however little, in his own way and according to his own judgment—or if there is, he should be fired immediately; he is hopeless material.

"Write that letter your own way, Miss Wadsworth"—the letter may be the most routine acknowledgment, but the little scrap of responsibility will do more to make her a dependable part of the office machinery than half a dozen compliments on her accurate typing, which she takes for granted.

So, from our point of view, the boss's problem is not only to assign the responsibility which he can't take on his shoulders, but to assign as much of it as his staff can carry. The more the better, so

long as he doesn't give too much. He must know in the case of each employee how much is too much. The boss who knows how to make each employee a responsible boss in his own little sphere has solved the problem of office-loyalty.

From this point of view the bosses I have known fall into three classes. First, there is the boss who doesn't like to delegate any. Then there is the boss who delegates as much as he can, recklessly and indiscriminately. And finally there is the boss who knows just what responsibility and how much to delegate to each and how to check the results.

Encourages doing nothing

THE boss who doesn't like to delegate any responsibility is a familiar figure to us employees. He is the one who carries a full portfolio home with him to work on at night. (And how his wife resents it!) He is likely to be tired and snappish in the morning. Eventually he has a breakdown, preceded by weeks of confusion and office nerves throughout the staff.

But that is not the worst. The worst is that, by grudging responsibility to others this boss keeps his force working under half-steam. Since nothing can be right until the boss has approved it, the whole office suffers from ingrowing timidity. To make a decision in an emergency is to risk death; it is safer to do nothing than to risk doing it wrong.

And let me here say parenthetically—what may be news to many employers—



The ability to boss people is a special gift. How many high executives ever ask whether this gift is present in their minor executives?

that when one of those emergencies arises in which something has got to be decided by us one way or the other, and we decide wrong, we expect to be praised and not blamed. Willingness to take responsibility (and the attendant risks) is more important than guessing right in a given instance. A mistake can usually be corrected. But cowardice in the face of responsibility is a disease that knows no medicine.

The boss who delegates no responsibility at all is of course a rare specimen (although I know of managing editors of large newspapers who insist on reading virtually all the copy that goes into the paper, or as much as is humanly possible, because they do not wholly trust a single one of the men they have hired). But the tendency to withhold responsibility from others and to give it only under compulsion is common.

The boss in question would probably justify it by saying that no one in the office can do the job as well as himself. Which may be true—today. But what of five years from now, or even next year? How can the organization carry on if he does not train men to take his place?

so fears responsibility that he hurls it on the shoulders of his employees. This type is naturally not so common in established and successful business houses, but he is very common in mushroom enterprises, charitable and civic organizations, and the adventurous businesses like publishing and theatrical production. Since he does not know his own job, his impulse is to entrust it blindly to someone who pretends to.

Open to high-power salesmen

THE result is that this type of boss usually hires the man who talks most plausibly. This boss is often victimized by professional miracle-workers who cheerfully offer to achieve the impossible at a wonderful salary. Have you never, in some office you have worked in, heard the trumpets blow announcing the coming of a miracle-worker (the

knows all about the job, for otherwise how can he retain his authority to hire and fire? Being unsure of himself, he is necessarily suspicious, and frequently either snoops or uses spies. He listens to gossip. When the office is criticized he hastens to fix the blame on some employee. In fact, that is why he has employees. When he hires, he hires not workers, but alibis. When he fires, he always manages to humiliate the man fired.

He is usually glib with his stockholders and trustees. He goes in for efficiency charts and cost accounting systems and double-countersigned vouchers (we all know the offices where for two weeks you can't get a lead pencil without waiting an hour for an O. K.; then after a while everybody forgets about it). He is personally insulted if he is ever found in an error, and usually tries to pretend he was right all along. His employees, of course, come very quickly to see through him, and he would not enjoy seeing how they laugh at his bluff behind his back. Generally, the office continues to function only because some level-headed person in it simply takes hold without asking and sees that the work gets done.

Too much responsibility

WHILE many an office worker may never meet this type of boss in the pure boob-charlatan form, it is hardly possible to hold half a dozen jobs without having a boss with a touch of it. While the first type of boss consistently gives too little responsibility to his employees, this second type tends to give too much, or give it too soon. To frighten an employee is as bad as to discourage him. This second type either does not know quite what the job demands, or does not know how to measure prospective employees, or else does not know

how to check up on their results. Naturally the employee either does not know quite what is wanted, or else does not know if he is delivering it. Hence employee-energy is continually hobbled by fear.

The third type of employer, as you may have guessed, is the one who gives, to each employee, responsibility measured to his ability. Each of us, if he has been reasonably fortunate, has one such in mind.

Very often this employer could do each of the jobs he hands out to his subordinates. But in any case he has a



Besides, how does he know that no one can do any part of the job as well as he can unless he experiments?

I suspect this belief is oftener a matter of vanity than of fact. In many other cases it is a sign that—paradoxically enough—the boss doesn't thoroughly understand the job himself. If he did, he would know just what work could safely be entrusted to whom. His withholding that work is not a sign of confidence but of fear and this fear quickly communicates itself to the entire office force.

At the other extreme is the boss who

biggest man in his line in the country)—a publicity man, an efficiency expert, or a high-powered sales manager? And have you not watched him fade from the office three months later? He can always get another job, for there are enough inexperienced, frightened executives in any large city to provide an unlimited market for his convincing sales-talk. But if in his three-month tenure he has had authority to hire and fire, to criticize and reorganize, he may have done a great deal of damage.

This boss who shifts all responsibility is obliged, however, to pretend that he

RATING CHART FOR EMPLOYERS

How Do You Rate Your Boss?

NOTE: Many of these questions refer to you rather than to your employer. That is because his efficiency as an employer is measured partly by his success in getting smooth and loyal work out of you.

BE SURE to read the accompanying article first, then think over these questions carefully. In each case, when you can give an unqualified Yes, write the accompanying numeral in the column on the right. You may, however, give less than the full rating on any point. For example, with Question 1—"Do you feel confident you can do your job?"—if you feel entirely confident you will write 7; if only fairly confident, you may write 6 or 5, and so on.

When you have answered all the questions with numerals, add up the total of the right-hand column. The result will be your employer's rating, as you judge it. If you can answer all the questions with an unqualified Yes, the total will be 100, and you have The Perfect Boss.

Do you feel confident you can do your job?	7	_____
Do you know exactly what is expected of you?	4	_____
Is your boss willing, after you have proved you know your job, to let you do it in your own way?	10	_____
Do you feel that he knows and appreciates your work when it is good?	4	_____
Are you kept busy?	5	_____
Do you feel you will not be fired without fair reason and warning?	5	_____
Do you feel free from snooping or spies?	4	_____
Does your boss give you his full attention when you talk to him?	3	_____
Is he as courteous to his employees as to his visitors?	2	_____
Does he praise you at least once in six months?	3	_____
When you are talking to him about your own job, do you feel you are talking as an equal?	3	_____
Do you feel unembarrassed when asking him for a raise which you believe you deserve?	3	_____
When a mistake is made, is he more interested in fixing the cause than the blame?	7	_____
Can he overlook occasional minor errors and infractions?	3	_____
Does he ever raise salaries before he is asked to?	3	_____
Does he ever stand up for an employee when the latter has blundered?	3	_____
Does he try to spare the self-respect of those whom he fires?	4	_____
Is he calm in a crisis?	4	_____
Can he take a joke when things go wrong?	1	_____
Does he ever admit he doesn't know?	4	_____
When he is wrong, does he admit it cheerfully?	2	_____
Does he welcome innovations in routine?	3	_____
Does he accept the failure of such innovations without resentment?	2	_____
Are you proud of the firm's success?	4	_____
Could the office run smoothly if the boss were sick?	7	_____
100 Total		

For the convenience of any courageous boss who would like to know just what his employees think of him, NATION'S BUSINESS will supply additional copies of this chart

clear mental image of what the job is and of what results he wants. He takes the mental trouble to picture the work he is asking the employee to do; and he has, by intuition or experience, a line on each applicant which permits him approximately to guess what his capacities are. But he knows he does not get rid of responsibility by assigning a job to a subordinate; if that subordinate falls down, the responsibility will fly back through any number of closed office doors and take a seat right on the boss's shoulders. This boss, in short, does not shift responsibility; he merely lends it. He is prepared to take it back if he must.

Getting good will of employees

ALL employees who have had moderate good fortune know this boss. He is calm when the office has nerves. When he doesn't know he admits it—and it doesn't hurt his dignity a bit. When you talk to him he gives you his whole attention.

You do not feel frightened when you ask him for a salary raise which you think you deserve, nor shamed if he refuses it. When he is talking to you about your own job, he talks as an equal. He is not annoyed by your suggesting an innovation, and he does not bear a grudge against you if it fails to work. He is just as courteous to you as to a rich or influential visitor. When he tells you what he wants done he makes it clear the first time.

He rarely requires overtime work and he never takes the obligation of overtime for granted. He is not too upset by an occasional tardiness or error. He is not too busy to praise you once in a while, and he knows the wisdom, in certain cases, of raising a salary before a raise is requested.

His working rule is to find the right man for the job and then leave him alone. He delegates responsibility for the work, but he retains responsibility for the workers. He is—and feels—answerable for the work done in his office because it was he who put the workers there. He is proud of them; he does not hire workers whom he expects to be ashamed of. He will instinctively go to the mat for his subordinates when his superior, or an outsider, criticizes them.

And when he is sure that all through the office the right man is in the right place, he is likely to play golf.

A lot of employees will understand me when I say that the boss who sometimes takes an afternoon off for golf is the most efficient of all.

A Dead Hand Holds Russia Back

By COL. CLARENCE T. STARR



PHOTOGRAPHS FROM U. S. S. R. IN CONSTRUCTION

Machine courses for tractor drivers are part of Russia's program of technical instruction

HOW much enthusiasm would you bring to your job each day if you knew that every act must be according to rule, that experiment if successful meant no reward and, if it failed, meant punishment? That, says Colonel Starr, an engineer who spent three years in Russia, is the handicap under which every Russian works. He sees but one possible outcome

and check the calculation while you did it mentally. Won't you please tell me what formula you used that enabled you to make the calculation in five minutes?"

"That is where you are wrong," I answered. "I didn't do that in five minutes. It took me 25 years."

Perhaps, as well as any, that anecdote illustrates the Russian's constant search for, and dependence on, formulae and rules. This search is dictated by necessity and conviction. In business, or perhaps I should say in government, since they are the same thing in Russia, there can be little opportunity for individual initiative. Every activity—coal mining, building, selling shoes, running a taxi—is not only supervised and directed by the government, it is the government. Quantities that can be produced or bought,

qualities, prices, methods of selling, producing, bookkeeping, packing, everything, are laid down by the state, through its Supreme Economic Council, or one of its dependent agencies. These rules are iron clad.

Depend on books and formulae

WHAT the Russian in office—and everyone, engineers and all, is more or less in office—wants is an authority. If he prepares a plan, and can cite Professor Soandso's book or formula, then he's safe. The government has recognized the book or formula as the authority and the engineer who relies on it has a ready alibi if anything happens.

If, however, the engineer varies an accepted formula from his own experience or tries a new idea without approval, one of two things may happen: He may be right or he may

MY FIRST experience with the engineers of Soviet Russia was in Pennsylvania several years ago. I had been engaged by the firm with which I subsequently became the Russian partner to take a group of Russian engineers through the mines in the anthracite field.

We were in the underground workings of a mine with which I was only slightly familiar and had come to the top of a plane when one of the visiting Russians asked:

"What is the grade on this haulage road?"

I didn't know but, after studying it for a minute, I gave him an approximate answer.

"What size locomotive do they use to bring the cars up?" he asked.

Again I expressed my lack of exact information but under the conditions as I saw them I thought a six-ton loco would be about right.

"How many cars does it pull each trip?" was his next question.

Again I thought for a minute and said that, on such a grade, I figured a six-ton loco could easily handle four cars to a trip and could handle five but, in the latter case, it would make rather hard going.

The mine superintendent subsequently confirmed these statements. However, as we continued our inspection of the mine, I noticed my Russian friend at every opportunity was figuring in a little note book. Finally, several hours later, he exclaimed:

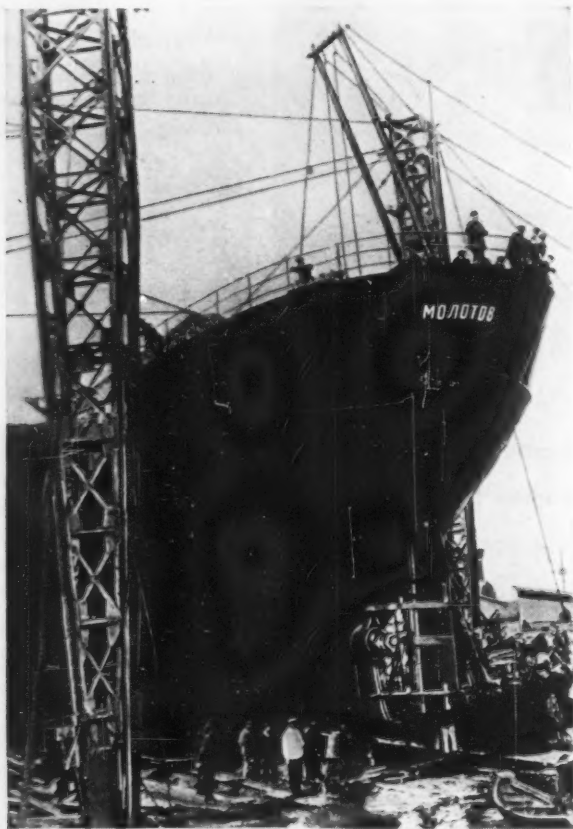
"But you are right. A six-ton locomotive is the size needed to pull a four car trip up that slope. Won't you tell me how you figured it so quickly? It took me several hours to figure

be wrong. If he's right, there's little coming to him in the way of reward or promotion, for in government, whether it be in Russia, or elsewhere, such things move in a fixed groove. If he's wrong he cannot take refuge in saying that he thought the new idea worth trying. A mistake is a serious thing, a crime, and is severely punishable. But a mistake made on authority, in accordance with accepted practice, is pardonable.

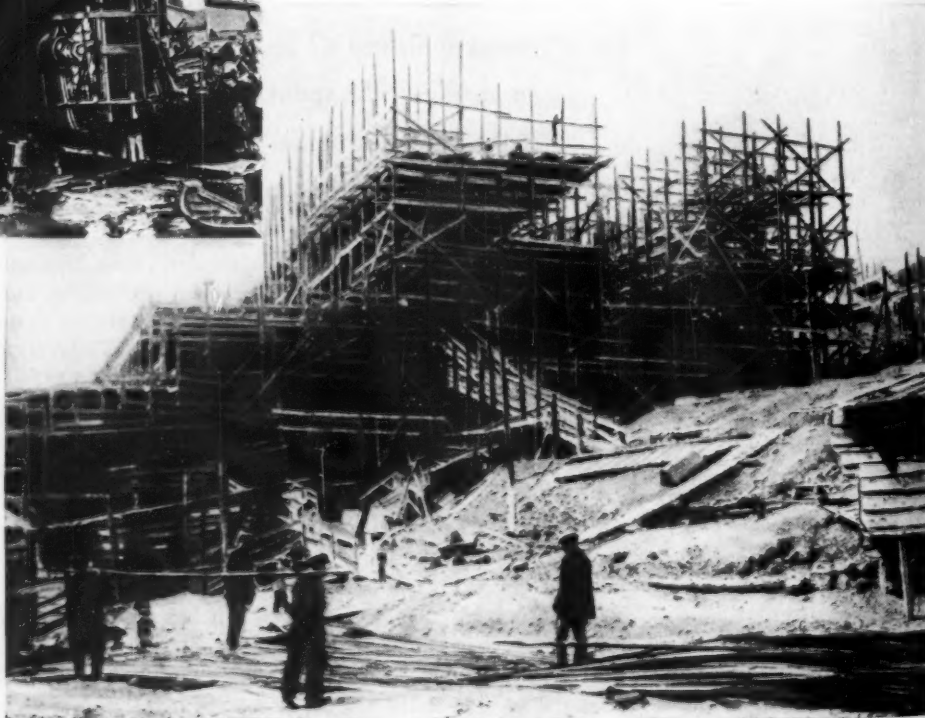
This acceptance of authority, this working by rule and formula is not confined to engineering alone. It runs through the whole Russian economic system. The Five-Year Plan itself is a part of it.

Since the state runs all, and every person is an employee of the state, it follows that tasks are defined, that the proper answer to every problem is set out as far as possible and that each must abide "by the book."

This has its advantages and disadvantages. If, in the course of a job, a worker must walk from here to there, you can't make him run to save your soul or his. He is not his own boss, nor are you. The state has decreed that he should walk and walk he will.



If, when plans for steel coal mining equipment are approved, someone decides that the steel is needed for ships, the mine plans must be adapted for wood



If it is set down that he should walk that distance in three minutes, then he will walk it in three minutes, and not in three and a half, for three and a half minutes would be contrary to rule and might make trouble.

My firm's contract in Russia, at the beginning, called for redesigning the workings and buildings for certain coal mines. Any American business man will instantly visualize a rather simple procedure. The steps would be, in general, a survey and study, preparation of the general plans with an estimate to be submitted to a Board of Directors. If the plans and estimate were acceptable, we would expect an order to go ahead with a comparatively free hand within limitations of time and money.

In Russia it is a different story. Such direct action is impossible because of the division of authority and responsibility. To get a proper appreciation of the procedure in Russia it is necessary to keep in mind that the coal trusts, like all other industrial units, are governmental institutions functioning within limits prescribed by the Supreme Economic Council which in turn is controlled by the requirements of the Five-Year Plan.

Each coal trust (there were five such trusts when I left Russia) is given its orders by the Supreme Economic Council for tonnage required the next year and must get it out. The trust upon receipt of its orders presents the problem to another trust also an agent of the Supreme Economic Council responsible for such things as plant design. This trust, known as the projecting department, is the department with which we worked most closely and from whom we received our assignments.

Consultants for the projecting trust

ON COMPLETION of an assignment the first step was to present our general or schematic plans and recommendations to the group of technical experts employed by the projecting trust as consultants. This group was expected to express and did express its conclusions as to the correctness of design and so on. Its approval was not final nor were its decisions mandatory. Such authority is vested in another group known as the Supreme Technical Council, called the

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S.T.C., the immediate agency of the Supreme Economic Council.

For every industry in Russia there is a technical council before whom the engineer must *defend* his proposals. I use the word "defend" not only because it is an accurate translation of the Russian word but because the engineer who submits the plans is literally under attack. The presumption seems to be that something must be wrong with his plans. He doesn't explain, assuming that his employers have faith in him, he "defends."

Irksome experience

TO THE experienced American engineer of known reputation accustomed to having his opinions and recommendations considered primarily on the basis of practical experience this session with the Supreme Technical Council sometimes proved a decided ordeal. I have in mind the experience of the president of one of the best known firms of coal plant designers in the United States. With the assistance of a Russian Commission sent to America to expedite the work, his firm prepared plans and estimates for three large units, requiring about a year for the work. The president, however, spent an additional nine months in Russia defending his plans before they were finally approved by the S.T.C.

Each man on this council is supposed to be an expert in some particular field. He is probably the author of some treatise or the originator of the formula on which calculations must be based. The council as a whole takes its responsibilities seriously and members appear unhappy if they cannot pull the recommendations to pieces. Every detail is gone into most carefully as each man must be convinced that everything done in his field is according to approved formula both as to technical detail, and its relation to the general scheme of Russian Economy.

This adherence to formulæ, in addition to irritating the practical-minded American, is costly. Russia has largely accepted German practice and the formulæ are built on German foundations. As an illustration, it is German practice to enclose electric transformers in buildings. It was extremely difficult to persuade them to use the American practice of open air transformer stations even though this would mean a saving of several hundred thousand dollars in building construction for a single station.

But the Council's approval doesn't end the difficulties. For instance, it may be that after the S.T.C. has approved plans for steel coal mining equipment, someone decides that it is more important to have steel for ships than for this use. So orders will be issued to build with wood. This means complete replanning, new formulæ, new presentations of the arguments, in fact the whole process over again.

Or perhaps a Russian engineer who has been working on a problem for several months receives an order to leave the next day for the other end of the country. From the minute he receives that order he won't discuss the problem. It is up to his successor to solve it and he won't take any steps that might commit the new man to any course of action. Thus it is necessary to go over the whole ground with the new man.



This plant, which supplies electric power for industry in the Tiflis region has a capacity of 13,000 kilowatts. It may be increased to 38,000

I have no desire to belittle the Russian engineer nor to suggest that engineering is to be learned by rule of thumb and not from the literature of the profession. Russia has many able engineers but they are held down by the fear that, if they deviate from government rule and the deviation is not successful, the punishment will be severe.

More than that, Russia is being made an industrial country by forced draft. As Russia has no great industrial or practical engineering background, the Russian must turn to other countries for experience and the only standard by which he can judge that experience is by published material. So the government insists and enforces a rule—a norm for everything.

Formulae that may fail

ONE young Russian engineer came to me one day and asked:

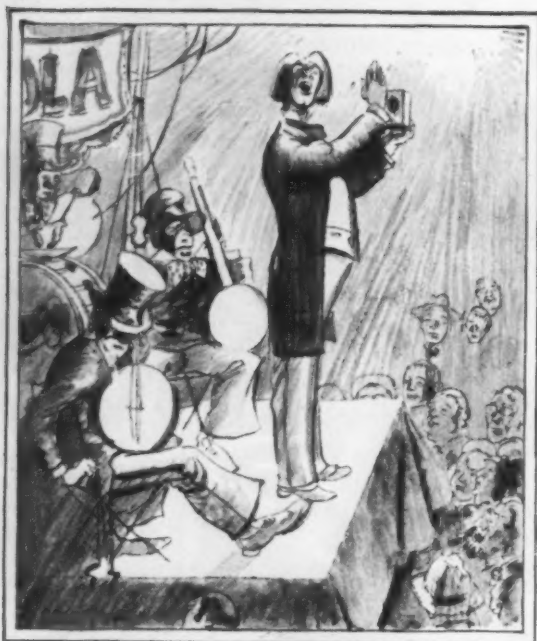
"How much sand per day will be used by a certain type of engine pulling so much weight up such and such a grade?"

I had been in Russia long enough to know there was something behind the query, so before beginning the guessing contest I questioned my interrogator and discovered that he had worked out a formula. After looking it over I asked him:

"Have you figured out what wet rails do to your figures?"

No, he hadn't, nor what a flat wheel or any of several other unknown factors might do. He wasn't discouraged but went right ahead and got his formula accepted as a standard. If a "lokey" stalls because my engineer didn't take into account several different factors, the engineman is out of luck. First, he doesn't get any more sand that day without several conferences. Second, if he didn't take the theoretically correct amount, he will probably lose his job or

(Continued on page 101)



"Med" shows still cater to the populace.
Some now travel in automobiles

A FEW months ago in my home town, Rochelle, Ill., an oratorical gentleman stood in the rear end of a motor car, whose top had been removed intentionally, and sold \$100 worth of razor blades. He performed this miracle of merchandising in three hours with one assistant.

Now there's nothing hicky about Rochelle. Its 4,000 citizens know their way around. They are only 70 miles due west of Chicago. Two trunk line railways—the Lincoln and Meridian—pass through this thriving community which boasts banks, newspapers, telephones, factories, grain elevators, public library, churches, schools, college graduates, fine homes and everything. Many Rochelle people visit Europe.

I credit the oratorical gentleman with a miracle because he was a total stranger to our community; he parked his car alongside Berney Keulgen's candy store, just off the main street; began his sales talk without ceremony and continued it against the honking of a steady stream of passing motor cars. Apparently there was nothing novel about his merchandise. At least six stores within two blocks were selling very good safety razor blades. The only edge he had on established merchants was the bargain prices at which his goods were offered. The gist of his sales talk was that he was in our midst merely as an advertiser.

Quietly, almost casually, he began to address the passing throng. It was Saturday night and all the neighbors were in town to do their shopping.

"Ladies and Gentlemen," he announced, "I am sent here by the Hokum-Pokum Manufacturing Company to introduce its handy razor blade. It wants you good peepul to know the value and virtue of its wares. It believes in first hand distribution—straight from the manufacturer to the consumer. This is a kind of gift shop I'm conducting. You do not have to pay for the profits of your middleman nor for full pages of expensive advertising. You get the goods at production cost. Now——"

A persuasive talker

THUS he went on for 30 minutes, occasionally cutting a bit of paper with one of the gleaming blades. His voice was gentle though strangely penetrating. He was a persuasive gentleman. Among his many cash customers was Colonel Kepner, our auctioneer. Three times in the course of that demonstration of salesmanship Colonel Kepner purchased razor blades. Colonel Kepner makes a good living by selling, in the open, oratorically. The easy conquest of Colonel Kepner completed the miracle performed by a visiting pitchman, one of a hundred thousand merchandisers who travel this fair land of ours.

Pitchmen are not peculiar to America. You will find them in every corner of the globe. Youths and old men are in this widely scattered army. Some are still in the "med show" business. Probably the oldest "med show" pitchman in the world is Li Chung Yun who claims to have been born 250 years ago and is still pitching medicine in Schangchuan,

They Can Sell

By Earl Chapin May

ILLUSTRATIONS BY LYLE JUSTIS

★ YOU have seen them, these street vendors working in doorways or from automobiles, selling goods under impossible conditions. Could you do it? Not, do you want to? Could you? If you couldn't, are they better salesmen than you are?



In the midst of this exciting

But They Die Broke

near Wanshien, Province of Szechwan, somewhere in China. I cannot vouch for Mr. Yun's antiquity but I do know several Americans who are pitching, though well in their seventies.

Properly speaking, a pitchman is one who sells his own merchandise, which he owns by right of personal manufacture or cash purchase, to cash customers whom he finds on streets, highways, the lanes of travel at state and county fairs or other special gatherings, or whom he may entice into rented "empties" or other stores.

He is a pitchman because he pitches his tent, metaphorically, wherever he finds an opportunity and folds it and steals away when lack of business or the law's unfriendliness urges him to seek another temporary abiding place. He is an Arab among merchandisers. His stock in trade is his "joint." If he is numbered among the humbler members of his fraternity and "makes his pitch" with his "joint" in a satchel or "keister" mounted on a folding tripod or "tripes" he is a "low pitchman." If he works from a motor car, like the oratorical gentleman at

Rochelle, he is a "high pitchman," member of the upper class. He is also a high pitchman if he, with others, rents a store.

Except at fairs or celebrations, most pitchmen pitch right on main streets. They look for profits on Saturday nights. That is when trade is most accessible. Last August I spent a Saturday in Gloucester, Mass., which is a one-street town and a busy one. Though there are only some 20,000 people resident in or near this fishing center they all turn out on Saturday night and



scene I found a remedy pitch working. A woman wore a nursing garb. A man opened the pitch

throng the narrow main street until women faint in crowded stores and a score of traffic policemen are nearly crazy.

When selling is a game

YET in the midst of this exciting scene I found a "remedy" pitch functioning. A white woman wore a nurse's garb. A white man opened the pitch convincingly. Then he introduced a swarthy "East Indian Doctor," from the West Indies. It was the "East Indian's" job to "turn the joint," which means to turn from oratory to cash collecting.

I could hardly hear him for the traffic hubbub, yet he sold a lot of his sovereign remedy to men and women who could have purchased the same ingredients, for the same price, at well known local drug stores.

Dr. William LeMar, who, like his father, holds an M. D. degree but who cannot keep away from the health book game, was pitching health books through New England one chilly autumn in company with a fellow pitchman and the latter's wife. They traveled in a decrepit motor car. Reaching a Massachusetts town one night they found that 90 cents represented their capital. So they spent it at a cheap lunch room, then shivered until the theaters were out; made their health book pitch and came away with \$60 in their pockets. That influx of wealth represented persuasive salesmanship by the pitchmen.

They accept hardships philosophical. George G. Partington reports that the fair at Gouverneur, N. Y., was a "t.b.," a total bloomer, but adds that he is going to make two more fairs in that vicinity before he works back again through Ohio, more gainful trade territory.

Leroy H. Greiner was doing well in California but the Utah territory beckoned him, so he stepped on the gas and journeyed eastward. He returned under divers difficulties. He burned out a bearing on the desert, breathed the salt air from the well known lake bed and nearly died of thirst before he escaped to his dear old San Francisco.

"Never again will I make that trip," he swears.

But if he does not repeat that experience in Utah he will in some other state. Pitchmen are incurable travelers.

Heat, cold, droughts and floods are not their only enemies. Though nearly every community is visited, many towns are "closed" to them. For this "closing" the crooked "jam sales" are largely re-



Manufacturers use pitchmen to introduce new wares

sponsible. Most of these free lance traveling merchants are legitimate; that is, their wares are nearly as good as they are said to be.

It is true that the fountain pen you may purchase from pitchmen at a county fair, or on Park Row, New York, or on the streets of some small town in Arkansas for from 25 to 50 cents cost the pitchmen ten cents or so. It is also true that in his selling demonstration he jabs his pen point into a block of wood, just to show that that pen point's permanency—only the block of wood is peculiarly nonresisting. It is also true that the imported pearls he offers to you on a Chicago street at two dollars per string of 24 cost him, at a Minnesota wholesale house, only \$1.56 per dozen strings. But he must operate on a wide margin to cover his uncertain overhead.

Make a sale and leave

BUT the crooked "jam sale" is not legitimate. It is worked in Broadway auction stores, on street corners of the rural regions or on state fairs of prominence. The favorite bait is "Cuban gold," which isn't gold by any means. The jam artist starts his pitch by scattering a few rings among the standing audience, just to advertise the factory. Then he sells a few at five cents each, mostly to assistants known as shillabers. He gives the money back on these. Then he sells some watches from his keister. Each watch is a "lumpy" in pitchmen's vernacular. It looks like something of value but is pure shoddy. He hands these out at two dollars each. They cost him all of 50 cents. Each buyer expects to get his money back, because the beneficent pitchman is "just here to advertise."

"Is everyone satisfied?" the pitchman cries. The standees voice their sat-

isfaction at a bargain which is to cost them nothing.

"So am I," says the pitchman, and disappears behind a curtain in the "jam store" or down the street in his motor car. The suckers sneak away to avoid their neighbors' merriment, but that town is probably "closed." The officials, backed by local merchants, refuse to let other pitchmen work.

These jam sales make it hard for straight-shooting pitchmen, those who repeat in trade territory annually. Hence they have two national organizations, the National Pitchmen's and Salesmen's Protective Organization, with lodges in various cities and headquarters in Los Angeles, and a similar organization with headquarters in Cincinnati, both working to discourage jam sales and to "open" towns. In theory these two organizations are the clearing houses for trade information. In reality most of such information comes by word of mouth or by communications to the *Billboard* which carries a department known as "Pipes for Pitchman" which is edited by Gasoline Bill Baker, whose other name is Robert Golden.

All headed for the crowds

WORD of mouth information results from chance meetings.

Early in March, 1929, there gathered in Cincinnati, W. G. Barnard whose specialty is potato and apple peelers; Mr. and Mrs. Ira Weiss who concentrate on selling whitestones—glass diamonds backed with mercury; Mr. and Mrs. Ben Teese, who sell rug cleaners and cake decorators, and Charles Cunningham, who features Chinese lily bulbs. They came from different pin pricks on the map but all departed for the Home Beautiful Show at Milwaukee where they rented concession space or worked the streets in pitchmen style.

At the Spencer, Ia., fair last year, Archie Lefebre was working wipes or handkerchiefs; Mr. and Mrs. Osborne were demonstrating, and selling, rubber patches; George Negus was disposing of potato peelers; John Haskell and his wife were disposing of fountain pens and rings; Frank Libby was merchandising "shivs" or knives; Ben Freed was retailing "leather" or billfolds. All told, there were nearly 60 pitchmen and pitchwomen at that fair. This included nearly 40 subscription getters or sheet writers.

The latter are not strictly pitchmen, they are a separate fraternity though they foregather with their trading cousins. The sheet writer usually solicits

subscriptions to minor monthlies. At least one of these hard-working sheet writers is now a regional manager for the circulation department of one of our largest magazine publishers.

Through the *Billboard* the boys get much guidance. G. T. Hylan sends a post card to Gasoline Bill Baker "infoing" him that there is a big tobacco crop around Wilmington, N. C., and that New Bern, Wilson, Greenville, Durham and Goldsboro are "tip top now." W. P. Darker "pipes" from Hamilton, O., that he met 37 of the boys working on Maxwell Street, Chicago, one Sunday, and that all were doing well. Sam Mills, of needle threader fame, writes that he arrived in Youngstown, O., to find that town closed to pitchmen. He couldn't get a "reader" or license from any one. He also reported that the Pittsburgh reader was \$10 but did not permit pitchmen to work in doorways—they had to work on lots which were hard to get. The Johnstown, Pa., reader was five dollars with an additional two dollars to owners of doorways.

Med shows are popular

THE med shows still cater to the populace. Some are on trucks and carry a small vaudeville company which entertains the customers before the lecturer pitches on the healing qualities of the roots, barks and herbs gathered by wise though untutored savages. Some med shows are as large as circuses. But Dr. Charles Roxroy, after 30 years of med-show activity, fills the million-dollar auditorium at Davenport, Ia., and the Tampa Bay Casino, at Tampa, Fla., and gives a medical lecture before he sells his medicine.

But the rank and file of the pitchmen's army works from tripes and keisters on the streets, selling small merchandise purchased from supply houses at 25 per cent with order and the balance when they can get it out of the post office or express station on the C. O. D. basis. There is no credit in the pitchmen business. Pitchmen buy and sell for cash.

Fountain pens are their favorites largely because they are handled easily and there seems to be a certain mystery about a fountain pen. The buyers do not know what is inside of it and manufacturers warn them not to investigate. Moreover, use of fountain pens is almost universal.

My own impression, after many years acquaintance, is that pitchmen are misguided selling geniuses. Any man or woman who makes a living at pitching

must have unusual stamina and ability. The outstanding picture I brought away from a recent Rhinebeck, N. Y., fair was not the trotting horses or fat cattle, not the magnificent flower show nor the farm machinery, not the balloon ascension and parachute drop, but Mrs. Dr. Foster, in neat business suit with genuine lace collar, selling health books from the back of a motor car in a chilling drizzle. Her voice competed with a nearby merry-go-round. Rival hawkers were on all sides of her. But she discoursed on the marvels of her health book for 30 minutes before her expert knowledge of mob psychology told her that the time had come to close the sale, whereupon she turned the joint so skillfully that she harvested a century, which is the argot for \$100.

I base my estimation of the pitchmen's prowess on their specified accomplishments. Stand on Park Row most any day or on a main street in Red Oak, Iowa, and watch a pitchman stroll along until he believes the spot and time are psychological, then study him as he sets up his tripes and opens his keister and begins his apparently meaningless "grind," which presently attracts an audience, whereupon he pitches and, at the proper moment, turns his joint profitably.



Each successful pitchman has personality. To this he adds oratory

Or study the "tip" as it works on Washington Street, Minneapolis. The pitchman has rented an empty store. At the back hangs a curtain, just behind a narrow platform. There are busy stores on each side of him. He does not ballyhoo vociferously. He stands in his doorway with his magic rings, and lets one of them slide through the other ones. He is getting ready to "tip his pitch." Two "tip men" pause to watch this man. Others gather sympathetically. One tip man opines that there is some fake. The

other retorts that the trick's genuine. Presently they follow the pitchman into his store. He explains the ring trick—and sells books on astrology.

Are good entertainers

AMONG my pitchmen friends is a millionaire who sold his system of short-hand in that way until he got into larger merchandising. I once put on a stag dinner show in a New York club of prominence. Five pitchmen did their stuff for me and famous artists, architects and business men tried hard to be numbered among the purchasers. Jack Gordon Sage, writer and wealthy stock broker, with offices in St. Louis, was a pitchman many years ago. Jack Kolb, a sheet writer in his pitchman days, has put over Cow Day in Mississippi, and has thus benefited agriculture and his pocketbook.

In the meanwhile pitchmen, with their tripes and keisters and their adventurous, itinerant merchandising, are fattening the bank rolls of our generals of industry.

Their turnovers run into millions of dollars annually. The gross business done by these itinerants supports many factories of respectable magnitude in Providence, R. I., Norwich, Conn., Springfield, Mass., Columbus, Ohio, Peoria, Ill., Chicago, St. Louis and many other cities. On lower Broadway and Nassau Street metropolitan specialty houses thrive on them. Many other factories have turned to pitchmen to dispose of articles after other outlets were "dead" for them.

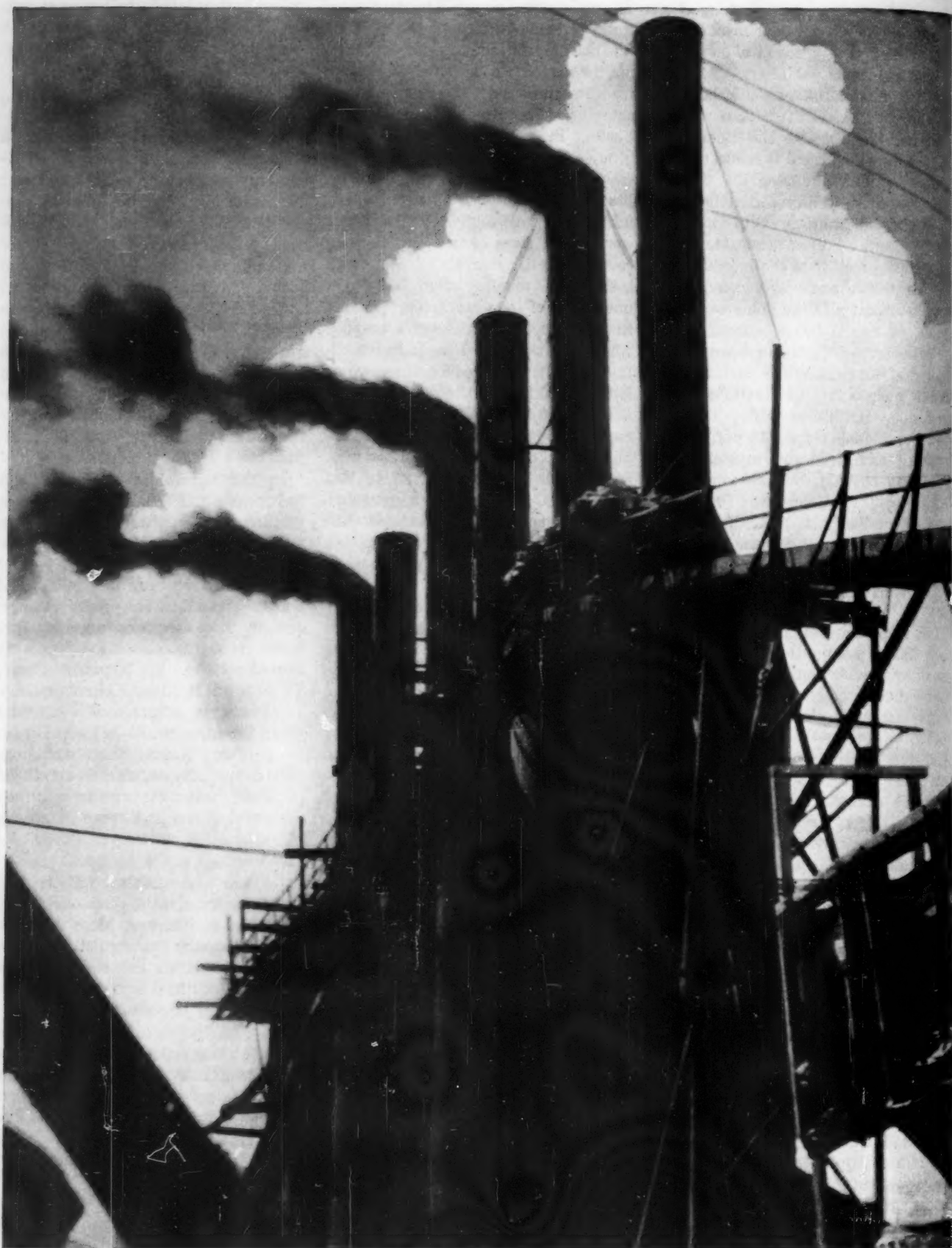
The mammoth toy industry has never ignored the gentlemen of the tripes and keister. More than one now popular dancing doll or similar novelty is in the stores because manufacturers first quoted attractive sales prices to pitchmen.

Sometimes a manufacturer moves a sticking article by advertising for pitchmen as demonstrators, or actually goes out into the highways and byways and gathers them into store aisles or display windows. Such recruits are usually paid a salary plus a bonus.

One of these old timers joined me in visiting a very high pitch in New York this year. It was a medical or health culture pitch with gold letters on the front windows.

But the ladies and gentlemen who were pitching referred to themselves as "demonstrators" much to the old timer's disgust. He clings to his tripes and

(Continued on page 99)



Lime Kilns—a photograph by William M. Rittase

CONCEIVED in grime and smoke, mothered by flame and sired by steel, our basic materials are born amid the fuming furnaces and fiery kilns of a hundred industries. Out of the depths of the

earth, out of the depths of the sea, from the very air itself they come in endless train to take their places in ten thousand products, ready to serve the manifold demands of puny yet powerful man

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Retailing Needs Better Brains

A remedy for distribution ills and how to apply it

By WALTER HOVING

Executive Vice President, R. H. Macy and Company, Inc.

DEPARTMENT stores, taken as a group, have not made an enviable showing during the last eight years.

The following figures bear out this contention:

Expenses of Department Stores								
1923	1924	1925	1926	1927	1928	1929	1930	
28.4%	30.1%	29.9%	30.3%	31.2%	31.7%	32.5%	34.1%	
Net profit of Department Stores								
3.6%	2.0%	2.3%	2.3%	1.9%	1.5%	1.1%	-0.5%	

These figures are for department stores with an annual volume of more than a million dollars except for the years 1928, 1929, and 1930, which are based on an annual volume of two million and more.

It can easily be seen that right through one of the most prosperous eras ever known in this country, the department stores were not conspicuously successful.

Furthermore, between 1925 and 1929 the volume of business transacted by department stores changed very little while many other industries were booming. One is forced to wonder what the figures will show when the history of the depression is written.

Many articles have been written and untold numbers of conventions have been held—all to the end of telling the merchants of this country how they should run their business. Various remedies have been prescribed.

To the credit of the department-store owners, it must be said that they have unhesitatingly accepted practically all of the advice offered by both the professional and amateur experts. They have manfully embraced all the new ideas, hoping that their ills would be cured.

Some few years ago stock controls were advocated as the panacea of all merchandising ills. Many millions of dollars have been spent on installing and operating these controls. But entirely too much was expected of them. They were supposed to lower mark-downs and increase profits. Instead of that, the weary department-store own-

“TO THE credit of department-store owners it must be said that they have unhesitatingly accepted practically all the advice offered by both professional and amateur experts”

ers found that, in many cases, mark-downs were increased because the controls showed up buying errors that used to lie hidden in slow moving stock. It was forgotten that fast turn-over depends much more on buying judgment than upon any mechanical device such as stock controls.

Consequently, merchants discovered that stock controls were not the promised panacea. They are merely an aid to proper merchandising. Instead of seeing them in their proper perspective, there now seems to be a movement against stock controls. The speed of this movement, I am told, is exceeded only by the speed with which they were originally installed. Of course, this is a great pity because, properly used, a good stock control is practically indispensable.

“Good Taste” makes its appearance

ANOTHER example. A few years ago merchants heard some vague whisperings about something called “good taste.” Fashion rightness, style, and taste held the center of the stage. Few merchants had any clear conception of what this was all about.

There was almost a minor panic among merchandising executives.

Shortly the whisperings became slightly more definite and one heard that the thing to do was to hire a stylist. What is a stylist? A stylist is a young woman who knows about style, good taste, and what-all. Presto! Thousands of

stylists were hired by stores all over the country. This, of course, didn't help to lower salary costs nor save the fast disappearing profits. But that was nothing. You had to have stylists or you weren't in style.

The basic idea was a good one. To know more about style, taste, and fashion was absolutely necessary. There is no question that a great deficiency exists along these lines. To cure this deficiency by hiring thousands of so-called stylists was hoping for too much. The depression has helped many merchants to the conclusion that they were partly on the wrong track again. But unfortunately we see signs of a reaction that bears the ear-marks of unsound thinking. I know many presidents of department stores who literally have thrown out all their stylists.

To say the least this is a questionable move. To employ people conversant with style and schooled in the principles of design is good retailing. But this knowledge must permeate through the entire buying staff. It cannot be imposed on the top of an organization by a corps of stylists. Stylists have their proper place in a well managed store. This has been shown by many progressive stores who attacked this problem slowly and who have profited greatly by a proper business perspective.

I merely mention these two examples to illustrate how merchants are grasping at straws without properly under-

“A FEW years ago merchants heard some vague whisperings about something that was called “good taste”

★ ★ ★

Thousands of stylists were hired by stores all over the country. This, of course, didn't help lower salary costs or save disappearing profits

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standing what weight they will bear and are expecting too much of certain innovations and improvements. In many cases they seem to lose their sense of values and consequently emphasize certain details out of all proportion to the picture as a whole. If one studies some of these remedies and cure-alls, one finds that they do not seem to go down to the heart of the matter. They scratch around on the surface, create a tremendous stir and, as the years go on, the situation gets steadily worse.

Plans and trained brains

BUT to get back to our opening paragraph. Something must be wrong with an industry that on the whole loses profits year after year. Let us examine other fields of endeavor to see if a proper solution may suggest itself.

The telephone company is noted for its carefully planned systems, its intricate planning and its sound prognostications. But what good are the finest plans and systems in the world without properly trained brains to carry them out? Consequently, the telephone company made careful plans as to the kind of brains and ability it needed in its various departments. Then it went to the colleges and universities and picked them. Year after year company officials study carefully the graduating classes in scores of universities and pick the sort of men they want.

How many stores have analyzed their executive personnel needs in such thorough fashion and how many are carrying out plans to build up their executive staffs?

No business or industry—not even department stores—can be properly run merely on systems or advertising stunts. If department stores are to progress in the future, it is absolutely necessary to inject more of the right sort of properly trained brains into the industry.

Not that there are not thousands of able and brilliant men in the department-store field. Nor is there a lack of well managed stores. But we forget that the retail business of this country is 41 billion dollars. There are not enough well trained brains in the industry to stretch adequately over 41 billion dollars.

I have been trying to gather statistics on the number of college men who have gone and are going into the retail bus-

iness. The information is scant and not at all conclusive but the indications are that there are fewer college trained men and women per thousand executives in the retail business than in almost any other industry in the United States except agriculture. One large eastern university reports that, out of 1,366 persons who replied to a questionnaire, only 37 were in the retail business.

I have discussed this with many retail executives. Most of them say that college trained people don't go into retailing as a rule. Of course they won't if no effort is made to interest them in it. If we want them, we have to go after them just as the telephone company and certain progressive stores and other organizations do.

What would you think of a business man who sat behind his desk and cried because business didn't come his way? You'd tell him to close his shop if he didn't have the gumption to go out after business. But I wonder if the average store owner realizes the need for college trained brains or any other kind of trained brains that might be superior to his average run.

How many of them try to train their

"MOST retailers say that college trained people don't go into retailing as a rule. Of course they won't if no effort is made to interest them in it

* * *

The usual way to fill a vacancy is by stealing somebody from some other store. The result of such a procedure is to pay \$5,000 for a person who is probably not worth more than \$2,500 or else you wouldn't get him

* * *

Every store owner should organize a corps of reserve material for executive jobs. This reserve should be carefully trained"

own executive personnel from carefully selected material? Very few. It is common knowledge that the usual way to fill a vacancy is to steal somebody from some other store. The result of such a procedure is to pay \$5,000 for a person who is probably not worth more than \$2,500 or else you wouldn't get him. This helps unnecessarily to pad the pay roll. Also the chances of improving the personnel are not particularly good. The

whole procedure is a kind of whirlpool which keeps going around and around in a vicious circle, and after a period of years doesn't leave the industry in a stronger position.

How much better it would be to take some bright young men out of school and college and train them for future jobs. Many progressive stores are now doing this with much success but the surface has hardly been scratched for the industry as a whole.

What most stores need is a clearly defined executive personnel policy calculated to attract able men and women into their ranks. Every store owner should organize a corps of reserve material for executive jobs. This reserve should be carefully selected and trained. Its members should be decidedly above the average ability and should measure up to the most capable men in the store. It takes courage and perseverance to carry out such a policy. It means carrying some extra people on the pay roll and spending some money to train them.

The main difficulty with this is that it is a tangible expense and shows up in black and white on the cost sheets. Intangible costs such as paying too much to incompetent executives or leaving people in minor executive jobs who are not promotional caliber are more painless because they don't show up on any cost sheets.

Better hiring needed

INSTEAD of instituting such a deliberate and consciously planned program, what generally happens is that the matter is allowed to slide until a staff vacancy occurs. Then executives scurry to find someone to fill the job. If someone from within the store is finally selected it is not because he is just the man for the job, but generally because he is the only available person. This is far from satisfactory. If it is found necessary to get someone from the outside, it is generally a case of the grass in the other

meadow looking greener. If college trained people knew the careers that await them in the merchandising field, I am convinced that they would flock to the stores. Not only can they earn excellent salaries, but they can find stimulating activities.

There are two conclusions I don't want drawn from what I have said:

One is that I don't mean that college
(Continued on page 103)

The Rain of Plans

By Warren Bishop

Managing Editor, NATION'S BUSINESS



THE MICE were discussing plans for foiling their enemy, the cat. A young mouse spoke up:

"We will hang a bell on the cat's neck. Then, when she is near, the bell will warn us."

The idea was roundly applauded until a wise old mouse asked, "Who will tie the bell on the cat's neck?" Today, with everyone making plans to aid business, this article asks a question equally apropos

WHICHEVER way one turns today he is confronted by a plan or a proposal for a plan. It may be a five-year plan, a ten-year plan or a twenty-year plan. If the plan has points, four points or eleven points, so much the better. But whatever the time or the number of points the planner will tell us how to readjust industry so that there shall be a minimum of waste, that production shall be fitted to consumption, or consumption to production, depending on whichever end we may choose as a beginning.

The inspiration for these economic plans which are to make an America which shall have no depressions—and I assume no inflations—seems to come largely from Russia. The five-year plan of that country has helped to set the world planning, and the depression of '29, '30 and '31 has made plain to our economists that without a plan we are doomed.

No one thinks of a plan in good times. In the years from late '24 to late '29 there was no need of a plan. The economic world was simple. Whatever goods could be made could be sold. There was no such thing as a saturation point. Every man, woman and child was a market for everything!

The automobile industry invented the



ROLAND KIRBY IN N. Y. WORLD-TELEGRAM

The Efficiency Boys at Work

phrase "the two car market;" the radio makers told a buying world that one radio wasn't enough, there should be one in every room and another in the automobile. Why plan then when the world was full of buyers and if any buyer lacked money he need only dip into the stock exchange or "pay out of income"—a polite term for instalment buying?

We cut down on buying

BUT in 1929, the world began to cut down on its buying. Something happened and kept on happening in 1930 and thus far in 1931.

We discovered that at times it was possible to make more goods than we could sell. Then plans began to crop

out. If Russia could have a five-year plan why could not the United States have one?

Already the United States has plans proposed in plenty. Unfortunately, or fortunately, they have not been put to work.

There is Stuart Chase's plan—a ten-year one—to recreate the War Industries Board into a Peace Industries Board.

Mr. Chase has gone into more detail than many of his fellow planners, has divided industries into those which certainly should be subject to supervision, those which might be included and those which might be disregarded. The list of the first named begins with coal and ends with alcoholic beverages. Also there are nine divisions and "20 or 30"

sections. (For further details see *Harper's* for June.)

Then there is Charles A. Beard's plan. It is to run on like Tennyson's Brook forever. It has a National Economic Council in its center and a Board of Strategy and Planning, and Syndicates and Corporations without number but including an Agriculture and a Marketing Syndicate. The plan is too vast to summarize but much more about it may be found in the July *Forum*.

More plans to come

MATTHEW WOLL of the American Federation of Labor, and also acting president of the National Civic Federation, has asked James W. Gerard, chairman of the Commission on Industrial Inquiry of that body, to call an American Congress of Industry which it seems shall formulate "a warm-blooded ten-year plan of democratic idealism woven into the very pattern of our national fabric."

There are plenty of others. Dean Donham of Harvard proposes, as does William R. Hearst, large public works in times of depression to relieve unemployment. Mr. Hearst would appropriate five billions right away and issue bonds. He would pay "prosperity wages" and provide for the "out-of-works." The Dean would pay less than normal wages so that there should be no temptation to workers not to return to their customary employment.

It takes a great amount of courage—"nerve" might be the better word—to prepare and publish a plan to provide for the changing wants and opportunities of 120 million men, women and children. It is a job calling for omniscience, backed by omnipotence.

Surely, too, if we are to have a plan for business it ought to be a plan by business.

Who is there with the clearness and certainty of vision, with the record of past achievement, with management ability raised to the *nth* degree who can make a plan for American industry which shall do away with waste, depressions, unemployment, overproduction, underconsumption, wage cutting, lowered standards of living and all the rest of the ills of which we hear so much just now?

Names occur to us, of course. Andrew Mellon, Henry Ford, Owen Young, Alfred P. Sloan, Julius H. Barnes, Silas H. Strawn, Henry S. Dennison, Walter S. Gifford, Edward A. Filene, Myron C. Taylor, J. P. Morgan. But why go on?—the list could be made as long as James W. Gerard's "64 Men Who Rule the United States" and then continued.

But who of these men has that infallibility which ought to be a characteristic of a maker of what in the Russian manner we might call the U.S.E.P. (United States Economic Plan)?

It is easy to rail at the "failure of

business leaders, conscious of the magnitude of the task, conscious of their own human fallibility, hesitate to rush in and tell the rest of the nation and the rest of the world how to order their affairs.

Very great business intelligence was brought to bear upon the problems of reparations and interallied debts, yet neither the Dawes Plan nor the Young Plan has proved itself a complete and satisfactory "plan."

It may be doubted if there is any business leader who could not, if he would, tell you of the failures he made, of cases where his judgment was wrong, his

vision clouded. Business is led not by infallibles but by men whose record of success over balances their record of failure.

But can we trust the making of the U.S.E.P. to these fallible humans where failure would react not only upon units of their own industries but on all the human units of 120 million people?

The answer of the planners perhaps is better a trial of anything than a planless industrial world which sees some millions of men unable to find work or working part time for part pay and millions of dollars either out of work or working for abnormally low interest.

The value of competition

ADMIT that business has fallen on bad days but is the way out or the way to prevent bad days in the future to create a strait jacket for the nation's industry? Take one section of one industry. There has been for years the liveliest competition between the Ford car and the Chevrolet. To the onlooker it appeared that now Ford, now Chevrolet, was ahead in public favor. The competition seemed to be which could give the public the most for its money, and still make profits. Competition, we are told, is wasteful. Would the planners do away with this competition? Should we say that the probable economic consumption of cars in the

Chevrolet-Ford price class in 1936 should be, say, 1,400,000 and that Chevrolet should produce so many and Ford so many. Would the public be as well served?

(Continued on page 102)

COMMON SENSE AND PLANS

AFTER soaring to new altitude records in fuzzy thinking about "national economic plans"—one, five, ten and twenty year plans—there are some signs that the country's business community at least is getting ready to come back to earth again. One sign is an article, "The Way Back," in the current *NATION'S BUSINESS*, an organ identified with the Chamber of Commerce of the United States.

The gist of the piece, written by Norval A. Hawkins, is summed up in the statement that "if business men will cease looking for relief on the outside and concentrate on the inside of their operations, business will pick up."

While there are great national adjustments that must be made clear the path for abiding prosperity such as those necessitated by our idiotic tariff wall and our hit and run policy of farm relief, it remains inherent in the nature of our economic system, with its dominant reliance upon competition to control private enterprise in the public interest, that the vast bulk of the talk about national economic planning is pure moonshine.

To find indications that the business group, which has contributed its full quota of half-baked "plans" is swinging around to the idea that the best way to revive business is to tend to business—that is a hopeful sign.

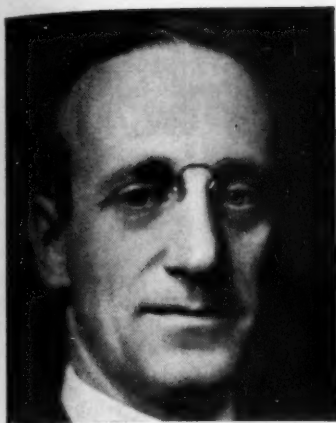
Editorial from the Baltimore Sun

business leadership" and to talk as if business were so intent on gaining its own selfish objects that it refuses to give of its time and its intelligence to setting the country's house in order. Perhaps it would be truer to say that

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THEIR NAMES MADE NEWS



Here are their faces

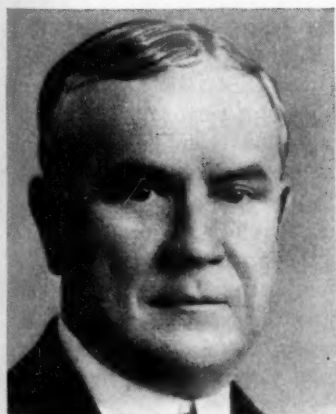
SINGLE GROUP

The marketing of food has long been complicated; some say chaotic. General Foods Vice President Clarence Francis thinks one trade association for the entire industry would bring new efficiency



YOUNG HEAD

At 38, S. Sloan Colt is the youngest of big N. Y. bank presidents. He heads Bankers Trust, and comes of a long line of financial leaders. His grandfather was Samuel Colt, president of the Lackawanna R.R.



RAISER

Shortly after C. F. Williams of Cincinnati was made head of Western and Southern Life Insurance Co., he showed his faith in returning prosperity by raising the pay of 500 employees from \$250 to \$1,000



BANKS

Mathilda Dodge Wilson, experienced banker, is now made chairman of the board of Fidelity Bank & Trust Co., Detroit. Her first husband was John Dodge, famous car manufacturer, who died in 1927



PAUSES

One of the country's best known advertising executives is J. C. McQuiston of Westinghouse E. & M., who now retires after 29 years with that firm. To his initiative much of broadcasting growth is due



CARRIES ON

Speculation as to the wealth of George F. Baker, Sr., was largely unsatisfied as much of his wealth had already passed to his son, George F. Baker, Jr. Financiers are gratified the son will carry on



IN RUSSIA

Much of the talk of Russia centers around an American engineer, Hugh L. Cooper, and his Dneiper River dam project, said to be the largest in the world, is the nucleus of a city of millions



KIWANIS

William O. Harris, Los Angeles banker, is made head of Kiwanis International. He headed the group which first advocated bringing the water from Boulder Dam to the cities of Southern California



Threats by organized minorities frequently cause congressmen to vote for bills which they disapprove

CONGRESS is a political body with high business functions. Sound business practices and policies are just as important for the American people and for Congress as agent of the American people as for a large corporation which spends hundreds of millions of dollars each year and whose stockholders number tens of thousands. Yet, too often under the pressure of special groups and sectional influences, Congress passes legislation that is not for the best, nor the real, interest of the American people.

What would be thought of a board of directors which yielded to the pressure of organized minorities (just as Congress often does) and granted to small groups special favors which were inimical to the interests of the stockholders as a whole? How long would these directors continue in office?

A railroad company does not build a branch line merely because pressure has been brought upon some of the directors or officers. The branch line must be self-supporting and must make a direct or indirect return for the expenditure. Yet, Congress under pressure of interested groups often votes to spend public money with little or no expectation of receiving a return directly or indirectly in real value.

Officers of a bank, a railroad, a department store, or any other corporation give their first attention to the interests of the stockholders as a whole. Congress, on the other hand, representing the American people collectively, far too often places the demand of a special group before the interests of the nation as a whole.

The Senate and the House of Representatives are much more than a board of directors for the American people. Their political duty and responsibility is to frame broad policies upon which the American people may proceed in domestic and foreign affairs. Granting the political character

Fear Helps

of Congress, the American people have the right to demand that sound business practices and policies be employed in their national affairs.

The last Congress authorized appropriations totalling altogether nearly ten billion dollars. The intelligent voter should insist that this money be spent for purposes sound in principle and that the expenditure should be scrupulously administered.

Fear frequently causes a member to vote for a bill which is harmful to the welfare of his state or district as a whole merely because an active and militant group has employed organized political coercion to attain its end. Fear of political reprisal is one of the great obstacles to businesslike administration of national affairs.

Crowds have characteristics entirely unlike those of the individual. This is a well known psychological fact. As a member of a group, a person loses for the moment his identity, taking on the personality of the larger unit. Men in crowds are often swayed by emotions they would not feel away from the crowd.

Such groups at times may show a greater heroism, greater courage, and be swept by a more lofty idealism, than would the individual acting alone. Again, the motives which impel a crowd to action may be those of the primitive man, the urge of emotions which civilization is supposed to have eliminated. By contrast, we may compare the excesses of the French revolutionary assembly with the restraint, the measured calm and lofty idealism of the convention which framed the Constitution of the United States.

Characteristics of the crowd

NOW Congress, with its 435 representatives and 96 senators, is a body large enough to share the psychological traits that characterize crowds. After all, it is not a question of numbers. A criminal jury may exhibit these traits, the submersion of the individual, and the merging of his personality in that of the larger group, and it may exhibit them just as clearly, though in a different form, as does a street mob when it is bent on lynch violence.

Thus psychologically, the actions of Congress are often those of the crowd. As part of the larger unit, and partaking of its personality, a member may often take a stand and vote for legislation of which as a private citizen he would doubtless disapprove. All parliamentary bodies at times act under herd psychology. The American Congress is by no means unique in this respect.

Fear is one of the most powerful of the primitive instincts. An organized minority has developed an issue. It wants to have enacted into law a bill granting it special favors or one that will commit the Government to a policy which is against the interests of the whole people.

The spokesmen for the organized minority, or its pro-

Minorities Make Our Laws

By George Holden Tinkham

Member of Congress from Massachusetts

PHOTO CARTOONS BY WILLIAM RITTASE



A VETERAN law-maker discusses the crowd psychology of legislative bodies and its effect on government. He says we must banish fear, set lobbyists in their proper place, curb coercion and eliminate meddling politicians before we can have sound policies in our national affairs

Professional lobbyists, issue their ultimatum to members of Congress.

"If you do not vote for our bill, we will see to it that you are not returned to Congress at the next election."

As a private citizen, a congressman might laugh at such threats, but a legislator is part of the larger group. He is a member of a crowd and a party. If a representative, he must run for reelection every two years; if a senator, every six years. Since he wishes to retain his seat, fear often drives him to vote for a bill which his better judgment would condemn.

Herd psychology often lacks the larger vision. The possibility of a tax increase, or the impairment of the public interest, may weigh less in the scale than the fear of retaliation by the organized minority.

The fear of the crowd will often have little basis. Cry "fire" in a crowded theater and even if there is no sign of smoke or flame, a panic may start. Here again, the primitive fear instinct comes to the fore. The power which organized minorities wield in politics need not be minimized, yet the fear is often exaggerated.

For many years, the Anti-Saloon League held Congress under its thumb. Fear was the great instrument which it employed to maintain its control, and the herd psychology played admirably into its hand. Under resourceful and aggressive leaders, an organized

minority sought to impose its will on Congress, and it succeeded in accomplishing its purpose.

Opposed though they were in their personal convictions to much of the program of the Anti-Saloon League, many members of Congress sacrificed their convictions to political expediency and obeyed the League's behests. It was the herd instinct that explained the situation.

Congressmen wanted to stay in office. Said the Anti-Saloon League:

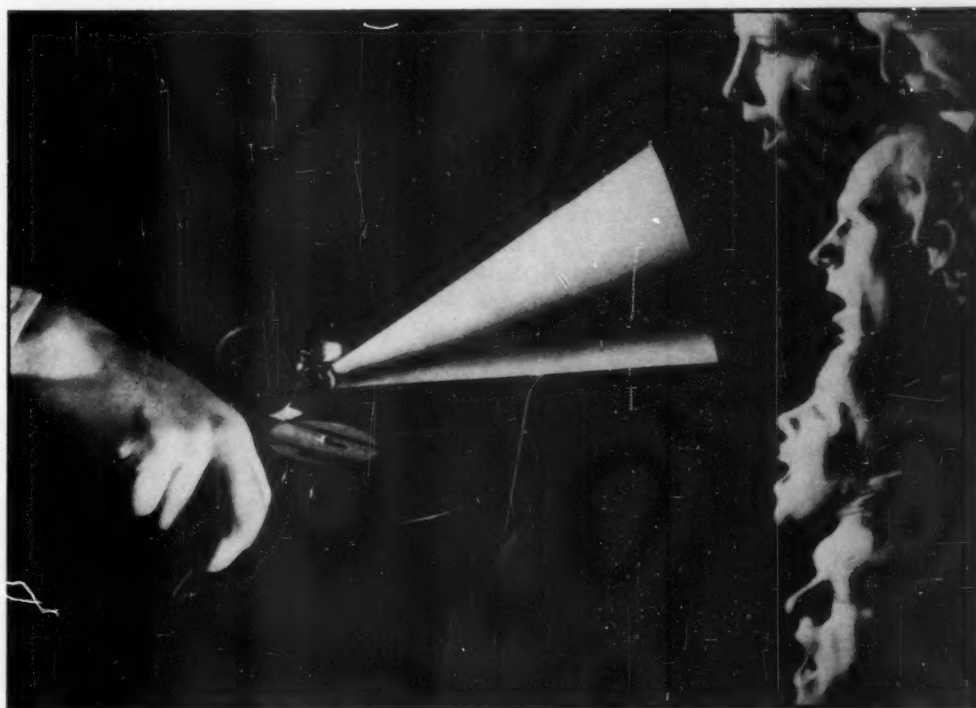
"If you want to keep your seat in Congress, vote as we tell you."

Evidence recently brought to light shows that the Anti-Saloon League spent more than 65 million dollars and is still making huge expenditures.

Politics and the farm vote

OTHER examples may be cited. The farm group, another organized minority, imposed its will on Congress, using the lash of political coercion. The farmers, it is true, represent a substantial part of the American electorate. Political pressure exerted by the agrarian groups nevertheless explains many of the votes cast in recent years for farm relief legislation.

One of the results of that pressure was the establish-



If the present tendency continues, Congress will become a mere mechanism to record the wishes of the most noisy and most coercive groups

ment of the Farm Board. In my opinion this bill is wrong in principle, and dangerous in policy. It involves an artificial attempt to control competition, a move to fix prices, and a further extension of the federal bureaucracy. All the criticism directed against the bill when it was under debate has been more than justified by events.

Again we have the pacifists, an organized minority which on more than one instance has successfully coerced Congress against the national defense. Recently, we have had the great debate over the soldiers' loan bill, and the enactment of the bill into law over the President's veto. There was no member who would not have given the full borrowing capacity of their adjusted service certificates, or even a full cash payment, to those in need.

The real question at issue

THE REAL issue was whether or not these privileges should be given those who did not need the money as well as to those who did need it. Yet many members voted for a bill which they thought wrong in principle, and did an injustice to the veterans by taking away from borrowers and their dependents, the insurance protection of the certificates, largely because of fear that the ex-soldiers would retaliate against them at the next election. Here again the crowd fear entered into the result.

It is inconceivable that American veterans of the World War, a patriotic and distinguished group of citizens, will, in any organized way, vote against members of Congress whose views on the loan bill were the same as those of President Hoover.

Group pressure comes upon Congress from many directions. Organizations favoring our entrance into the League of Nations and the World Court, for example, have sought to create an artificial demand to drive the United States into an organization which the American people do not want to join.

This is a period of organized minorities. They have obtained so large a measure of success because Congress has a crowd psychology, and because fear enters so heavily into that psychology.

The right of petition, free speech and assembly is fundamental to our principle of government. Every citizen must have the right to present his views to Congress and the President. This is essential to a free and democratic government, and makes for a truer self-government. It is quite another thing, however, when a group or organized minority sets out to gain its ends through political coercion and a vast expenditure of money.

These precisely are the methods used by so many of the lobbies of our day. If lawmakers do not do the bidding of the lobby, then they are to be retired into private life. The use of such methods strikes a body blow at the American system of representative government.

Organized groups are successful

PRESSURE from organized minorities helps explain also the socialistic tinge that characterizes so much legislation. Observers of American politics agree that there has been a marked trend in this direction, a trend which clashes with the traditional American principles of self-reliance and individualism. The farm bill committed us to a dangerous experiment in socialistic government, but this is not all. Every group wants to have its share of subsidies and special favors. A group has its eye on special privileges. So it launches a drive through lobbying and political coercion. Playing on the

fear motif of the crowd, it sets out to gain the necessary votes in Congress.

The drive for more federal bureaus proceeds along a parallel route. Certain groups want new departments of government and press for still further invasions by the Federal Government of the rights and functions of the states. Through the efforts of the Anti-Saloon League, the prohibition amendment was written into the Constitution. This was followed by the creation of the prohibition bureau and an endlessly increasing army of agents in all parts of the country.

How rapidly the federal bureaucracy has extended itself in recent years is a matter of common knowledge. Everywhere it is the same story of new bureaus, new departments, new regiments of inspectors and officials, all swelling the public pay roll.

Once a new bureau is created, it is all but impossible to abolish it. In voting for a bill to set up a new commission or bureau, there is no thought of inserting in the bill a provision that the life of the new agency shall not extend beyond a certain period. Conditions may change, and a decade hence the work for which the commission was created may have been done, and there may really be nothing else for it to accomplish—except to receive its share of money from the Treasury.

Courage in politics is needed

THESE are some of the considerations which it is well to bear in mind when the work of Congress is analyzed. From the point of view of constitutional development, the period through which the country has been passing is an important one. The increased power of organized minorities, the common resort to methods of political coercion, and the vast expenditure of money by lobbies, have wrought some far-reaching changes in the operations of the American government.

What is the remedy? To prescribe one is not easy, but certain observations may be in order. The worst vice of American politics is cowardice, it has been said. Courage, therefore, is needed more than ever before. Unnecessary fear, after all, is a criticism that can often be directed against Congress. A courageous stand, honestly taken on a broad question of principle, will seldom retire a man to private life merely because, in taking that stand, he has offended an organized group. Let the question be one of principle and, if conviction is honest, the individual can stand up against the crowd psychology of fear.

Not only is there a need in politics for more men of courage, but to solve the great problems of our democracy, more intellectual capacity is needed. Politics is a calling that demands the nation's best, and it takes time and study to understand its many phases, international, economic, constitutional and historical. The voter has a right to look for intellectual leadership from those placed in public office, as well as the courage to allow honest convictions to guide all actions.

Congress will always retain certain characteristics of crowd psychology, but if we can banish unnecessary fear, curb political coercion, set lobbyists in their proper place, eliminate meddling ecclesiastical politicians, Congress may hereafter be able to avoid some of the criticisms that have been directed against it in recent years.

If the present tendency continues, Congress will be a mere mechanism to record the wishes of the most noisy and the most coercive minorities, and not a deliberative body legislating for the public weal.

Aunty Sam

By LAWRENCE SULLIVAN

★ **EVERYBODY** is against paternalism and bureaucracy in principle, and the growth of governmental activities, and the cost of government. Here is one phase described. Is this something Government should do? Is it worth what it costs? Could it be done better by private agencies? Does it really reach the individual for whom it is intended? Does he want it? He pays in the end, would he pay directly for it?

THE trousers worn by the little boy in the picture can be buttoned to an underwaist, as shown, with a matching or contrasting loose blouse over it. Or, when the weather becomes warm and the days invitingly sunshiny, the underwaist may be replaced by an open mesh sun-suit top of cable net."

A creditable piece of department-store copy, the reader assumes. It should move a lot of merchandise. But, before passing final judgment on the lay-out, the alert business executive will want to read two more sentences:

"These trousers were designed by the Bureau of Home Economics of the U. S. Department of Agriculture for the very small child who is just learning to dress himself. It is suggested that, until a child has become thoroughly familiar with the intricacies of buttons and buttonholes, all his trousers be made from the same pattern, with fastenings in the same place."

Few citizens of the United States were aware that Uncle Sam had gone in for infants' trousers, but such is the fact. And because the whole range of motherly projects did not appear to be widely appreciated, the Bureau of Home Economics several years ago inaugurated a series of "fillers" for free distribution to Sunday newspapers. The "simple, straight-leg trouser pattern" described was the feature for April 5, 1931. With the 500-word descriptive article, the Bureau enclosed a one-column cut six inches deep showing the trousers in service. A companion article of the same date, "Setting in a Sleeve," was accompanied by a two-column cut carrying the descriptive line, "The illustration, made by the Bureau of Home



One of the 161 pamphlets by which Uncle Sam exercises a vicarious and expensive motherhood

Economics, shows how a set-in sleeve is basted into the armseye."

When today's taxpayers were children, mother looked after all trousers, blouses and sleeves without so much as a free button from Washington. All things considered, our trousers were generally equal to the demands of the hour. Considering that the same cannot be said of today's tax payments to the Federal Treasury—the 1931 deficit was \$860,000,000—it is pertinent to inquire if Uncle Sam really is, or ever can be, an efficient mother.

Details of government

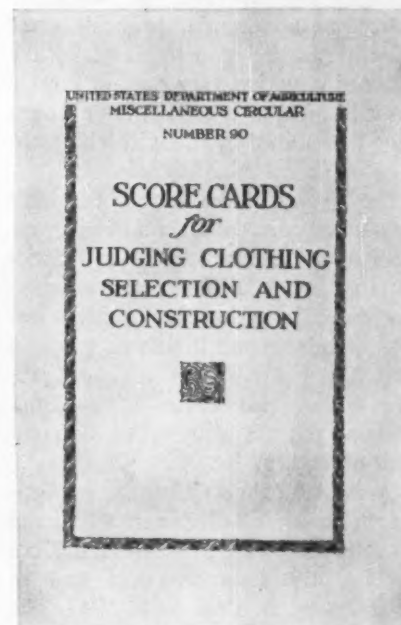
SINCE the beginning of the present century Uncle Sam has turned his at-

tention to such intimate affairs of the people as wall paper, wood storage, care of the vacuum cleaner.

In the years 1923-29, the Bureau of Home Economics released to the press of the country 1,408 items similar to "Setting in a Sleeve." According to a recent official report, the high tide of motherly enlightenment was reached in the fiscal year 1928, when 375 articles—an average of more than seven every week—helped keep the national shirt tucked in all around.

"Figures for the last three years have shown no marked increase," the 1930 report concludes, "because much of the material hitherto sent out as press items has been distributed in the form of radio releases."

As children are clothed according to the standards of bureaucracy's vicarious motherhood, so the nation would be fed—if it happened ever to regard seriously the Bureau's numerous nutrition works. An illustration of how this agency of government guards the national digestive equipment is found in a pamphlet published in January, 1930, which catalogued the food values of 121 dif-



Formed to study food, a bureau soon asks money to study textiles

ferent vegetables, including amaranth, bamboo shoots, burdock, catjang-peas, garlic, mustard greens, orach, parsley, pigweed, taro, udo, witloof and yams.

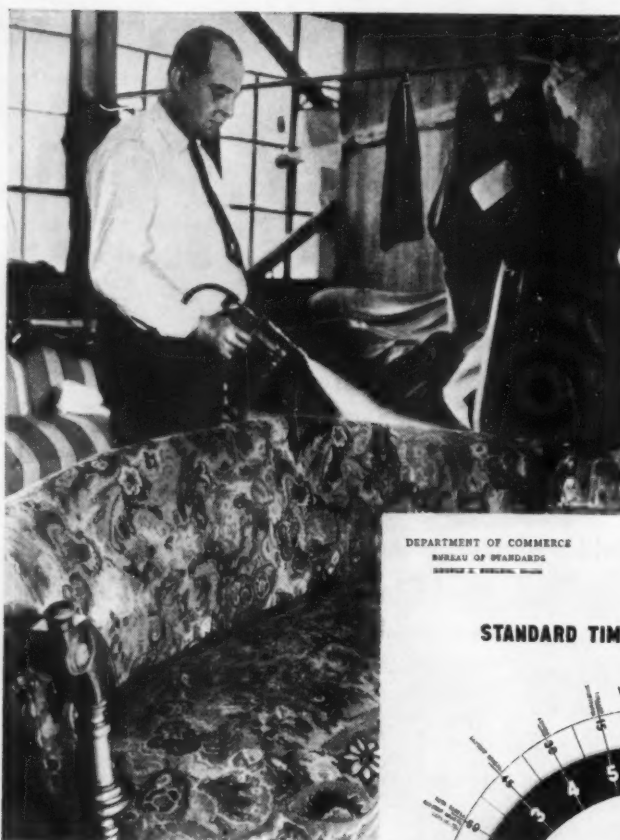
Unheard of vegetables

THROUGH this work the citizen was apprised, for example, that the udo (*aralia cordata*) is composed of 95.4 per cent water, 1.3 per cent protein, .2 per cent fat, 1 per cent ash and 1.1 carbohydrate fiber. The udo does not appear in the 1931 catalog of one of the country's largest seed houses. In its entire stock this house offers but 64 different vegetables. Where did the other 57 varieties come from? That's easy for the Bureau:

"In the last three decades," reads Department of Agriculture Circular No. 146, "the American public has become familiar with a much greater variety of fresh vegetables. Plant explorers have brought new species and varieties from foreign countries, and improved marketing methods and transportation facilities have widened distribution. Accordingly, an added demand has arisen for data on the chemical composition and nutritive value of vegetables."

Because each sample of a given product contains a different amount of every chemical substance, the official table of averages was achieved "by the arithmetical-mean formula, probable error in each case being determined by the standard variation $\times 0.6745$. . . Protein was calculated as $N \times 6.25$, the nitrogen being determined by the Kjeldahl method or one of its modifications. . ."

The history of the Bureau of Home Economics affords an impressive exhibition of the processes of official maternalism. The first appropriation ever made by Congress for investigations in human nutrition was voted in 1893. The Hatch Act of 1887 had provided \$10,000 for studies of "the composition and digestibility of different kinds of food for domestic animals. . . ." Six years later the Department of Agriculture supply bill carried an additional \$10,000 for research in human nutrition. In 1895 the item was increased to \$15,000; and in 1900 to \$17,500. The next year the amount was \$20,000 and by 1915 the "experimental work" had developed into the Office of Home



Motion pictures, pamphlets and photos explain how to kill moths

Economics, with a staff of 71 persons. Last year's appropriation for this Bureau was \$247,380.

Between 1893 and 1910 only 60 bulletins were published, but in the next five years the number grew to 132. The annual report for 1915 showed that 16,305,800 copies of these bulletins had been distributed through congressmen and the Government Printing Office up to June 30 that year.

Still the "demand" for services pressed from every side. In 1919 the Office of Home Economics began a study of fuel conservation in the kitchen range. As one phase of this inquiry gas consumption "in using a small oven over the burner for baking was compared with that of the usual range oven." Afterward came a study in "Household Methods for Making Jellies," "Studies in Making Pastry," and "Cake Making."

The scope of the work was expanded again in 1920 to include the preparation of a pamphlet, "The Essentials of a Well Planned Kitchen."

In 1923, the entire project had far outgrown the status of an Office of the

Experiment Stations, and was reestablished by an Act of Congress as the Bureau of Home Economics, a semi-independent unit of the Department of Agriculture. With still more money, the Bureau launched out into many new fields, and in the next three years completed studies in textiles, floor covering, refrigeration, clothing design, window curtaining. Soon the problem of kitchen effi-

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Uncle Sam provides this device to enable his citizens to know the time any place on earth

ciency was reached again. The contemporary official report says:

The first problem confronting the Bureau in undertaking household production studies was to get information as to the present situations in various types of homes for, in spite of the importance of the work of the household, little information is available in regard to the phase of economic life.

A study is being made of the kind and amount of work now carried on by farm, village and city housewives, and the help which they receive from other members of the family and from paid workers. The results of this study will indicate the extent to which home makers are overworked or underworked in various types of homes and at various periods of the family's life. The Bureau also is engaged in determining efficient methods of work in connection with the tasks of preparing meals, dishwashing and other routine housework.

The latest official bibliography of the

Bureau's publications lists more than 200 titles on food and nutrition alone. A total of 161 reports and bulletins were published between July, 1923, and January, 1930, as against 132 titles in the 22 years 1893-1915. Among the 1930 titles were:

Utilization of the Calcium in Spinach
Rice Polishings as a Source of Vitamin B
Lamb As You Like It
Reindeer Recipes
Bringing Up Bobby
The Use of the Metric System in Nutrition
Principles of Window Curtaining
Children's Rompers
Sun Suits for Children
Suits for the Small Boy
Dresses for the Little Girl
How to Dress for a Sun Bath
Bags of Osnaburg
Where Sheets Wear Out
The Self Help Bib
Self Help Suits for the Small Boy
Washing Clothes: A Problem in Temperatures
A Study of the Time Spent in the Care of Babies
Vitamins in Relation to Salad Dressing.

The Bureau also offers for free exhibition a set of 47 lantern slides on "First Aid in Window Curtaining," and a set of 52 slides, "What Shall I Wear?"

Cook books and elections

DURING the 1930 congressional campaign, an Indiana congressman seeking reelection broadcast his campaign appeal every night from a city station in the heart of his district. As an incentive to mail applause, he offered a premium to all who would write to him in care of the station. The premium was *Aunt*

Sammy's Radio Recipes, a culinary opus of the Bureau of Home Economics. Before election day the congressman had distributed more than 1,500 booklets.

A rule of bureau growth

THUS is revealed the immutable rule of bureaucratic organization—add a little every year. Never has it been broken. Launched in 1923 with an appropriation of \$71,760 for the first fiscal year, the Bureau of Home Economics stepped into the select \$100,000-a-year group about midterm in the Coolidge era. The rate of expansion since that time is indicated by the following table of appropriations:

Fiscal Year	Home Economics Budget
1928	\$109,963
1929	137,281
1930	157,500
1931	207,700
1932	247,380

As the \$247,000 Bureau of Home Economics was seeded in the 1887 Act appropriating \$10,000 for studying "the composition and digestibility of different kinds of food for domestic animals," so the now expansive Children's Bureau grew from a mere \$25,000 in 1912.

Sponsored by a neighborhood settlement house manager in Boston, the idea of a Children's Bureau was first presented to Congress in 1906. The late Murray Crane introduced the bill in the Senate after his office had been under a state of siege for three weeks. It was promptly forgotten. In 1909, President Roosevelt, after a similar siege, en-

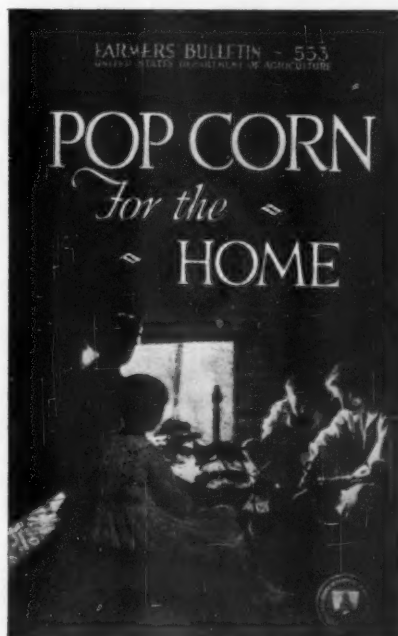
dorsed the enterprise incidentally in a message to Congress. Three years later the bill was passed. The Bureau was born with an initial appropriation of \$25,640, and 15 persons constituted the entire staff the first year. By 1915 the appropriation was \$164,640, and in 1919 it was \$658,499. The total appropriation for 1924 was \$1,528,652. In 1929 Congress refused to authorize additional appropriations for direct Federal aid to the states for maternity education. Nevertheless, the Bureau's budget for 1932 is \$399,400, an increase of \$29,280 over the previous year.

So, too, did the Women's Bureau grow. It began in 1918 as an emergency agency to assist in placing women in industry during the war-time shortage of man power. By an act of June, 1920, it was established as a permanent agency of government.

Typical bureaucratic growth

FOR 1918 the Women's Bureau appropriation was \$40,000. In 1920, it went to \$41,200, and the next year to \$75,000. In 1923 it joined the \$100,000-a-year group. The budget for the fiscal year just closed was \$180,500, an increase of \$21,100 over 1930.

The development of these three agencies epitomizes the whole problem of bureaucracy—Home Economics, \$10,000 in 1893 and \$247,380 in 1932; Children's Bureau, \$25,640 in 1912 and \$1,528,652 in 1924; Women's Bureau, \$40,000 in 1918 and \$180,500 in 1931. Multiply this tendency by 150, the number of bureaus, offices, divisions and



A few select bureaus need more than \$100,000 a year from the taxpayers to finance their researches in many fields. Publications like these then broadcast the resulting information

sections in the federal establishment today, and you have some conception of what President Hoover had in mind when he warned Congress in his recent budget statement: "This is not a time when we can afford to embark on new or enlarged ventures of government."

Moths made movie stars

ALTHOUGH the Women's Bureau, Children's Bureau and Bureau of Home Economics are recognized everywhere as our boldest attempts to institutionalize the maternal instinct, every major department of the government is carrying on its own experiments along the same line. Somewhere in his sphere practically every bureau chief eventually finds some particularly intimate problem of the farmer, the business man or the worker which demands federal aid. There is, for example, the motion picture released last February by the Bureau of Entomology, Department of Agriculture, styled, "Why Moths Leave Home." The film opens with a close-up of the villain, Clothes Moth. After depicting his life history from the larvae to the pupae, the film suggests various moth protective methods for the home. Any woman who does

been making motion picture films for more than 20 years. It has produced a few more than 400 titles, some 200 of which still are in circulation. Last April, when the Office of Motion Pictures determined to branch out into the talkie field, one of the first projects placed on the sound schedule was "The Indian Sign Language." Maj. Gen. Hugh L. Scott, formerly Chief of Staff of the Army, mastered the sign language during his Indian campaign days. Retired from active military service, he has been selected by the Department of Agriculture to deliver the film lecture. The project is "designed to constitute a permanent record of the Indian sign language."

The Government on the air

ON March 4, 1930, the Department of Agriculture inaugurated a series of chain radio broadcasts by an official of the Food and Drug Administration under the general title, *Read-the-Label Talks*. Once a week for more than a year the Department lectured the nation on "the meaning of label statements on containers of foods and drugs," through a chain of 25 stations. Morse Salisbury, chief of the Radio Service, Department of Agriculture, had this to say about the enterprise:

Thousands of letters commenting upon the value of the talks have been received, and Mr. Wharton now has a mailing list of nearly 20,000 listeners to whom copies of the talks have been sent. It is not possible to say just now whether or not Mr. Wharton will resume his radio talks in the near future, but listeners are assured through an announcement from the Food and Drugs Administration today, of a read-the-label Farmer's Bulletin, including the gist of all his talks, to be issued soon.

On December 16, 1930, the Department of Agriculture's radio network was devoted to a half-hour lecture on "Preparing the Modern Christmas Dinner."

"Feed Cows Well, but as Cheaply as Possible" the Bureau of the Dairy Industry, Department of Agriculture, suggested to farmers in a special bulletin published in November, 1930. And if you have difficulty telling time, the Bureau of Standards offers a ten-cent creation to assist:

The device employs two divided circles made of heavy cardboard, the smaller being mounted above the larger and free to turn. This smaller circle is divided into 24 hours, while the larger indicates longitude east and west of Greenwich with the names of the various countries at their appropriate positions. By setting the inner circle so that any given hour of the day comes opposite any given longitude, the time at any other longitude can be read off directly.

"What next?" the taxpayer asks as he surveys such official activities. "Does not the legitimate sphere of government activity end somewhere?"

One answer was given on the floor of the Senate on February 23, 1931, by Senator Hiram Bingham, of Connecticut, formerly a professor of history in Yale University:

"Every time we create a government bureau in times of emergency, or because something has gone wrong and we want to correct it, we add a few thousand dollars' worth of clerks; we add four or five hundred thousand dollars' of bureau—and we never get rid of them!"

More bureaus and more taxes

THAT is the fact the United States never has faced squarely. As a nation we ignored the developing bureaucratic tendency until it had become a deeply rooted system of nervous-aunt administration. Today that system is, not the servant of the nation, but its master. Our national budget has been expanded to the extreme limit of the national capacity to pay taxes, and yet, each winter, we hear on Capitol Hill the wail of every branch of the Government for more money, more activities, more clerks and more office space!

Only Congress can rescue the nation from this plight. So long as Congress continues to supply the necessary funds, bureaucracy will thrive. When, on the other hand, Congress cuts off the appropriation for "simple straight-leg trouser patterns" that activity will cease. The basic consideration concerning bureaucracy always has been the same in every land—so long as great appropriations are available busy women and busy men will find new ways to spend money.

RABBIT RECIPES

LEAFLET NO. 66
U. S. DEPARTMENT OF AGRICULTURE

Studies of efficiency in the home resulted in these leaflets to help busy housewives

not know how to place moth balls in a storage chest may watch a detailed visual demonstration merely by sending to the Office of Motion Pictures, Department of Agriculture, for this one-reel "educational film." It is free to all who will pay express charges.

The Department of Agriculture has



Bureaucracy and Farm Banking

By MERLE THORPE

Editor of NATION'S BUSINESS

RECENTLY NATION'S BUSINESS published a series of articles dealing with the problems of the Federal Farm Loan Banks and written very largely from a Washington point of view. Since then we have gone further afield and made other inquiries into the conditions of these banks.

The purpose of this article is to present the results of these inquiries made in half a dozen or more cities where the joint stock land banks have their being and where they daily face the problems of existence and growth which trouble them as they trouble every financial institution.

These problems are real for the joint stock land banks. A glance at the market values of their securities shows that something has happened. Together with the 12 federal land banks, they came into existence by virtue of congressional legislation of 1916. They were expected to achieve much in the field of agricultural finance. In 1921 the United States Supreme Court upheld the constitutionality of the law which provided not only for a Federal Farm Loan Bureau in the Treasury Department at Washington which should have general supervisory authority over the system, but which also conferred such special privileges as exemptions from taxation.

The Supreme Court upheld the validity of the legislation on the ground that these banks were formally made capable of becoming depositories of the public monies of the Federal Government and purchasers of government bonds.

Bonds Far Below Par

THE banks not only lack deposits from the United States Treasury but, at the beginning of June this year, the bonds of a dozen of the joint stock banks were quoted at bid prices ranging from \$44 for a hundred dollar five per cent bond to \$86.

The course of the market quotations for bonds of joint stock land banks may be seen from Table I which shows the amounts bid and the amounts asked, per hundred dollar five per cent bond, about June 1 of each year. The names of the banks are omitted but a selection has been made from the 50 joint stock land banks for purposes of illustration.

That the bonds of the 12 federal land banks have not fared so badly appears from similar quotations for their bonds bearing different rates of interest, likewise shown.

The fall in the market value of the joint stock banks cannot be ascribed, therefore, to the business depression which began in the fall of 1929, or to the agricultural depression of 1930-31. A number of these bonds were already substantially off from par.

Since these banks are facilities for agriculture, the question at once arises, "Can their situation be explained by the economic situation of that industry?"

As the banks obtain money by selling their bonds and lend the money for agricultural purposes, changes in the amount of bonds outstanding serve to indicate whether loans are increasing or are decreasing or have ceased. As a rough index of the activities of both the joint stock banks and the federal land banks, therefore, the amounts of bonds outstanding are presented for the dates indicated.

			Joint Stock	Federals
December	31,	1924	\$435,067,400	\$914,763,416
"	"	1925	516,143,700	982,192,400
"	"	1926	605,261,500	1,059,216,615
"	"	1927	582,049,100*	1,139,616,660
"	"	1928	588,978,200	1,174,542,840
"	"	1929	572,378,500	1,187,661,780
"	"	1930	543,994,800	1,184,460,200

*Exclusive of three banks in receivership hereafter.

The outlook ahead for agriculture in 1925 and 1926 was in official quarters considered good. The United States Department of Agriculture, speaking after the harvest of 1925, said:



THE Federal Farm Loan Banks were organized to simplify the farmers' credit problems. In previous articles we explained failings of the banks themselves which limited their usefulness. Then, believing that the banks deserved a day in court, we studied their side of the question. Here is what this study showed

Agricultural income will not be greatly in excess of last year. The point is that this is the second fairly profitable year. The improvement now is cumulative.

Earlier in the same year it said: Agriculture recovery has been a regional matter, emphasizing the fact that it is essentially a regional industry. Last year started the two money crop regions, the corn belt and the wheat belt, on their feet once more. This season promises to do likewise for the great live stock territory of the Central and Far West.

In the spring of 1926 the Secretary of Agriculture said, in an address at Fort Worth, Texas:

Farm products have greatly improved in purchasing power. . . . Land values show signs of improvement. . . . There are many signs that agricultural readjustment has proceeded to the point

of real stabilization and that better times are definitely in sight. The index numbers for prices received by farmers around June 1 have been, for the years since 1924:

	1924	1925	1926	1927	1928	1929	1930	1931
Grains	116	164	130	140	152	111	106	67
Fruits & Vegetables	146	184	216	201	168	120	193	114
Meat Animals	105	139	154	129	150	163	141	91
Dairy Products	126	130	128	132	134	135	118	86
Poultry Products	115	135	138	102	127	140	103	81
Cotton & Cottonseed	219	183	132	119	162	146	115	63
All groups combined	130	148	139	130	145	135	123	80

When dealing with such a vast subject as American agriculture, it is necessary to take things in the large, risking errors on details. For the course of agriculture from these years of 1925 and 1926, when official utterances might be

•TABLE I•

JOINT STOCK LAND BANK BONDS

1924		1925		1926		1927		1928		1929		1930		1931	
Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
		101	103	102	103½	101¼	103	100	101½	89	94	65	70	45½	48½
		102	103½	100	102	99½	103½	100	102	96	98½	91	94	86	89
102	103¼	102	103¼					101	102	95½	97½	85	87	58	62
98½	101	102	103¼	101½	102½			92	95	91	94	84	86	67	70
		101¾	103½	101½	103½	100½	103½	100	102	100	102	90	93	72	75
99½	100¼			100½	102¾	98	100	95	97	68	72	55	59	45	49
				100¼	102	97	100½	82	85	68	72	55	57	44	47
		100¾	102¾	102	103½	101¼	103¼	100	102	89	93	80	84	58	61
99	100¾			101¾	103	97½	101½	74	78	52	57	48	50	57	60
99½	101¼	102	103¾	100	101½			98½	100	96	98	90	93	75	78
		103½	104½	101	103	101	103½	100	101½	88	94	70	74	56	59½
		103¾	104¾	101½	103¼	101¼	103¼	99	101	91	95	73	76	60	64

FEDERAL LAND BANK BONDS

1924		1925		1926		1927		1928		1929		1930		1931	
Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
5%	101½	102¼	104¼	104½	103¾	104	102¼	102¾	101¾	102½	97½	100¼	99¾	100¾	99¼
4¾%	100¾	101½	103¾	104¼	103½	103¾	102¾	102¾	101¾	102	97½	100	99½	100¼	95¼
4½%	98	98½	102¾	103	102½	102¾	102	102½	101¾	101¾	96	98½	96¾	98	93
4¼%							101	101¼	100¾	100¾	93½	96	93	94½	88
4%								99¾	100¾	90	93	89½	91½	87	88

taken as an indication of the general expectancy, it is consequently possible to take the estimates of the gross income received by farmers. The estimates have been:

1924	\$11,411,000,000
1925	12,051,000,000
1926	11,542,000,000
1927	11,717,000,000
1928	11,827,000,000
1929	11,923,000,000

As to whether or not these official forecasts were actually realized individual opinion may vary, but in these sum totals the estimated income of the persons engaged in agriculture does not show such a general recession in agriculture as would, on its face, account for the recession in the market quotations for the bonds of joint stock banks.

Some of those who are responsible for joint stock land banks suggest another factor as adding to their problems and influencing, perhaps, the price of their securities. This factor concerning which they are reluctant to talk for publication but which they will discuss privately with much emphasis is the kind of regulation which has been given to these banks from Washington.

Further inquiry into the joint stock land banks has led to a belief that this regulation contains some novel features.

Aside from power to charter joint stock land banks, to authorize increase in capital stock, to authorize the issues of bonds, to prescribe the forms of bonds, to make rules respecting charges made to borrowers for appraisal, and the like, the Farm Loan Board has general supervisory authority. There is considerable evidence to show how this supervisory authority has been used.

From the point of view of some of the men directly responsible for the joint stock banks, supervision has taken on inquisitorial aspects.

As an example, I might point to the rule about bonded observers who attend the opening of the mail. Members of the staff who open the mail are bonded but, as an extra precaution, a second set of employees is required, likewise bonded, to check the first set. This means considerable expense to the banks and so slows up the recording of remittances that notices of delinquency have gone out after payment has actually been received. The extra cost to one bank is about \$30,000 a year.

Banks are tied in red tape

THIS attitude of super-precaution may account for the scrutiny of the correspondence in the files and the taking of photographs of correspondence to be forwarded to Washington, followed by elaborate correspondence usually over matters ordinarily left in the discretion of a bank. The process does not stop there, but goes to such a point that no banker is free to hire a new employee without first obtaining approval of the employee from Washington.

Out of this attempt to run these banks from Washington come such incidents as the following.

In Iowa is a farm of 703 acres. A joint stock bank originally loaned \$24,500 on this farm and, with the approval of the Farm Loan Board, deposited the mortgage as part of the security for its bonds. The borrower did not meet his payments, the mortgage was foreclosed, and title passed to the bank, with a total claim of \$30,000 by the bank against this land.

In June, 1927, a buyer appeared who offered \$31,500 of which \$7,000 was cash and the balance a note secured by a first mortgage. The bank telegraphed to the Farm Loan Board for permission to make this sale, proposing to place



COURTESY CORPS OF ENGINEERS, U. S. A.

Machines have displaced the mule and wheelbarrow in the building and buttressing of levees

The Progress of Flood Control

By PAUL H. HAYWARD

Of the staff of NATION'S BUSINESS

★ **AMONG** the major engineering projects of all times, the Mississippi River flood-control plan is rapidly being translated into reality. Three of the ten years contemplated for completion of the work have elapsed, with the definite results which are told about here

THIRTY-FIVE million dollars went into Mississippi River flood-control work during the year which ended June 30, bringing the total spent since the inception of the present plan to approximately 100 million dollars. Another 35 million dollars will be spent during the year ending June 30, 1932. Under the Act of May 15, 1928, the project will be completed in 1938 or earlier at a total cost of 325 million dollars.

Construction work during the past year has placed from 4,500 to as many as 12,000 men, at peak periods, on pay rolls. To how many others it has meant employment, providing supplies and equipment for this army of men, can only be guessed. Depression has brought no halt in the work, and drought has served only to hasten efforts so that full advantage might be taken of the low river stages. As a result of the work already done some two million people scattered along a thousand miles of the river, from Cape Girardeau, Mo., to below New Orleans, are directly profiting, their lands and lives made safe.

The flood-control work now being prosecuted by the Mississippi River Commission, under the supervision of the Chief of Engineers and the direction of the Secretary of War, falls into four classifications—the strengthening and raising of existing levees, the construction of set-back

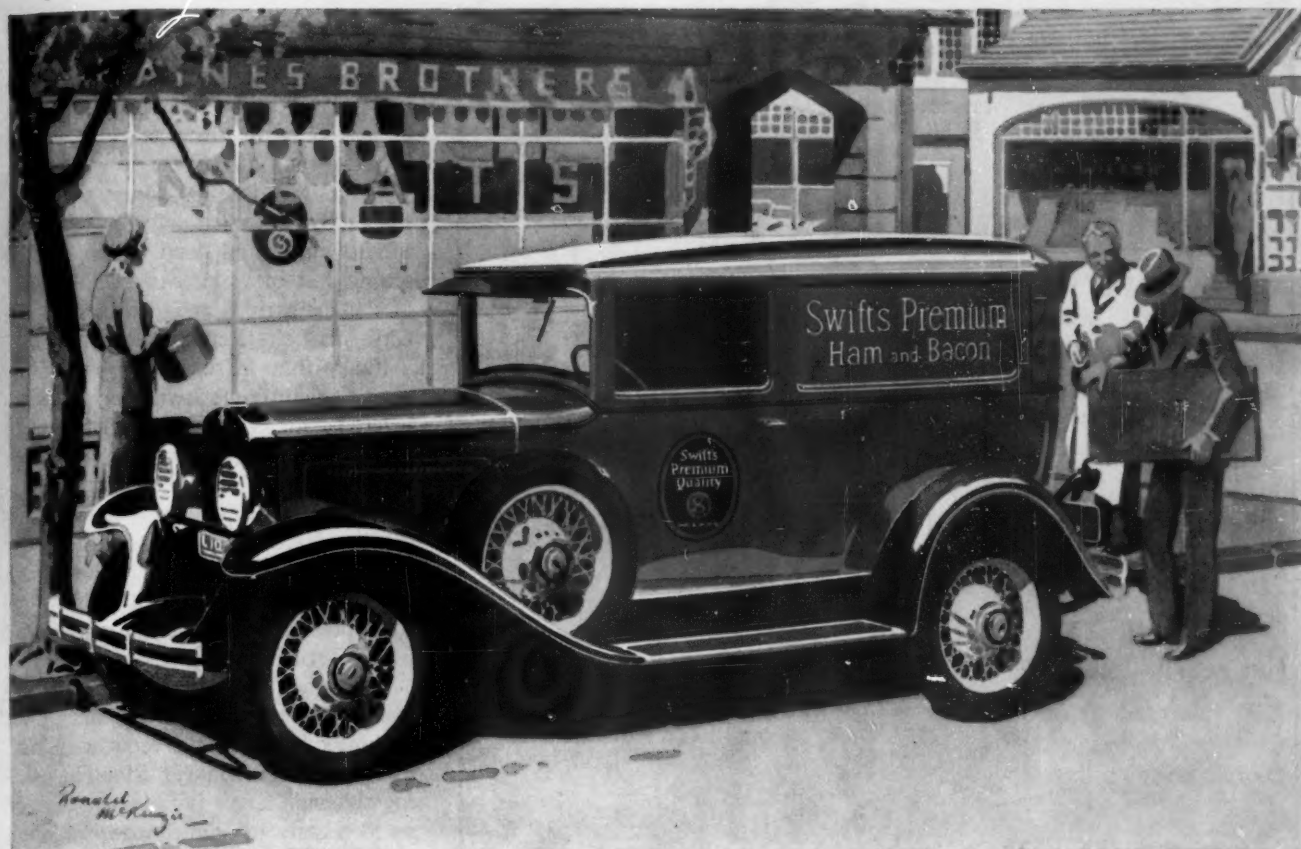
levees, the building of protection levees in the side lowlands of the Boeuf and Atchafalaya basins, and the construction of spillways, principally at Bonnet Carré, 20 miles above New Orleans. In addition, under the Act of May 1, 1928, revetments for bank protection, regulating works for improving the navigable channel, and maintenance dredging for the navigable channel are authorized and are now being carried forward.

Past experience has taught engineers that the Mississippi, when it goes on a rampage, can't be held to its channels by main strength. Therefore, the plan now being worked out provides for what might be termed an elastic defense. The primary elements of the defense plan, those which will bear the first shock of attack, are the levees, close to the banks in some places, five to ten miles back in others.

Should these levees fail to hold the flood, it will escape over and through the existing levees, called "fuse-plug" levees, located at the heads of the Boeuf and Atchafalaya basins, to the west of the Mississippi.

A basin for the overflow

THE FIRST of these "fuse-plugs" is just below the lower reaches of the Arkansas River and above Arkansas City. Water overtopping this levee will escape into the basin of the Boeuf River, which roughly parallels the Mississippi. The excess water will be confined in the Boeuf floodway by the protection levees, which will guide the flood down to the Red River breakwater area. At the southern end of this backwater area the waters will find another "fuse-plug," that at the head of the Atchafalaya Basin. When this second "fuse" is blown, the surplus flood waters escape by a shortened route to the Gulf, protection levees in this flood-



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MISSOURI STATE HIGHWAY DEPARTMENT
PILLSBURY FLOUR MILLS COMPANY
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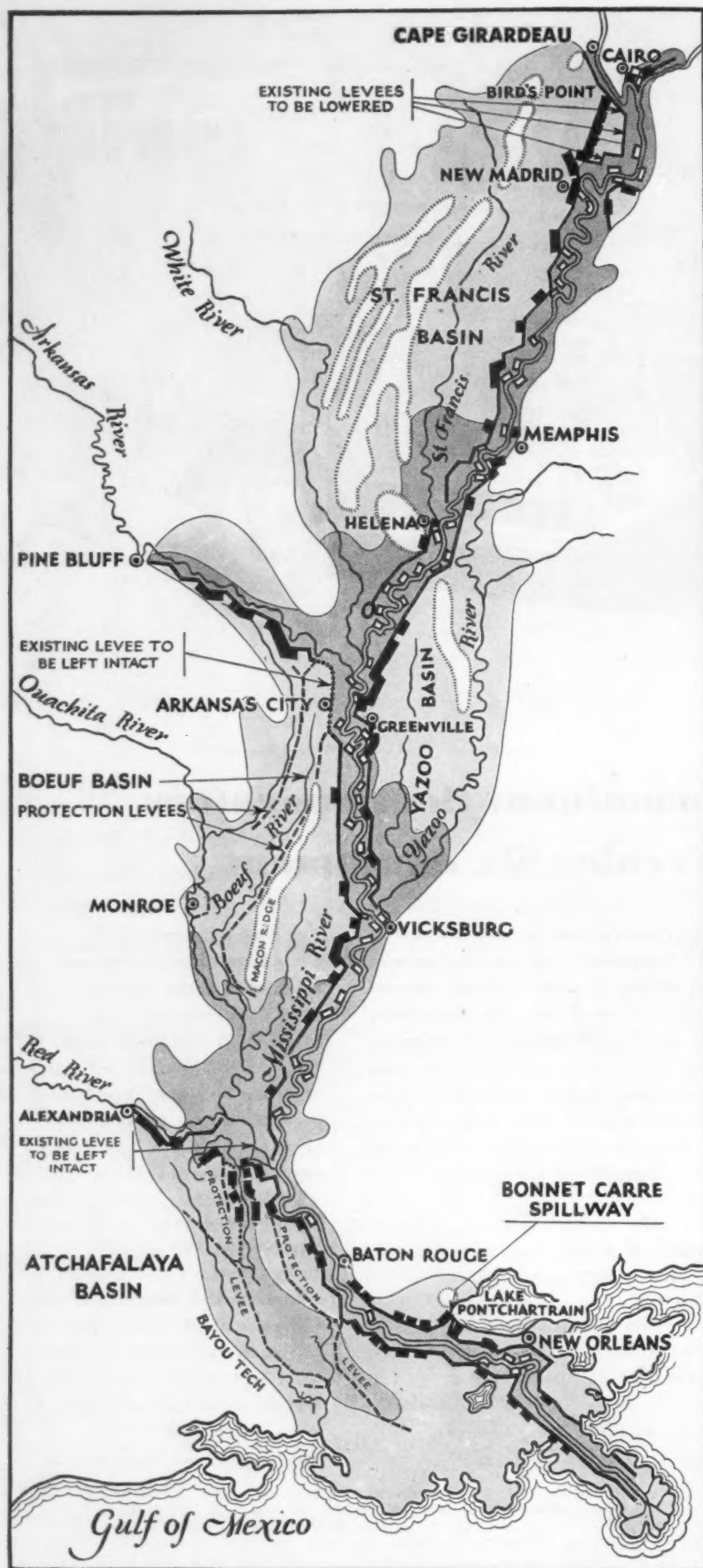
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SWIFT & COMPANY
UNITED BISCUIT CO. OF AMERICA
UNITED LIGHT & POWER COMPANY
UNITED STATES RUBBER COMPANY
UNITED STATES TOBACCO COMPANY
WESTERN ELECTRIC COMPANY, INC.
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THE YOUNGSTOWN SHEET & TUBE CO.

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Two million people look to the works charted here for protection from flood

way minimizing damage as they do in the Boeuf Basin.

Finally, above New Orleans at Bonnet Carré, there is a spillway which keeps flood waters from reaching a stage of more than 20 feet at New Orleans. This spillway is of masonry, with mechanically controlled gates by which, in time of maximum flood, up to 250,000 second feet of water can be taken out of the main river and detoured to the Gulf via Lake Pontchartrain.

Fancy that we're aboard one of the river's picturesque twin-stacked side-wheelers for a cruise downstream to inspect the work now completed or under way. Just south of Cape Girardeau, Mo., we come upon the first activities. Here a levee along the south side of the Little River Drainage Canal is being renewed to prevent flood waters from breaking over into the upper end of the fertile St. Francis Basin.

Dropping downstream to Bird's Point, Mo., we find a new setback levee striking inland and southwestward straight to New Madrid, Mo. The existing riverside levees parallel the river in its loop eastward and southward. These are to be lowered somewhat so that, during an excessive flood, the waters may expand over them and into the area bounded on the west by the setback levee. This setback levee will protect southeast Missouri.

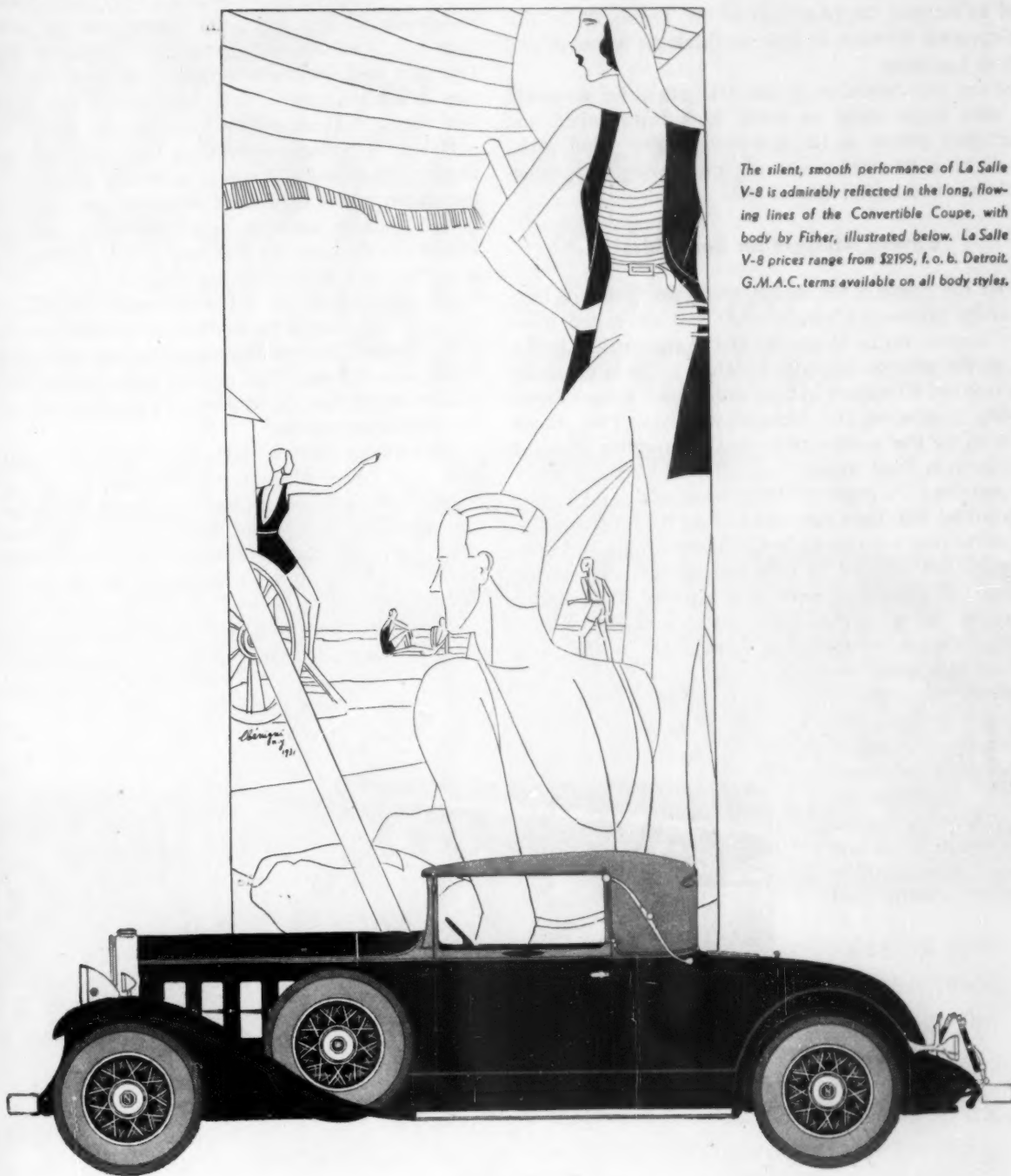
Cruising southward from New Madrid we see the levees to the west of the river being raised and strengthened in many places to protect the lower reaches of the St. Francis Basin. This work extends downward to the mouth of the Arkansas River.

We find similar work in progress to the east of the river below Memphis for the protection of the Yazoo Basin. Construction work on this flank of the stream has extended almost continuously to Greenville, Miss., and thence in more scattered sections to Vicksburg.

Across the river from Greenville other levees are being raised and en-

The Plan for Flood Control

- Area subject to overflow
- Backwater area
- Existing levees being enlarged
- Proposed levees
- Existing levees being left as they are
- WORKS COMPLETED OR UNDER WAY**
- Levees
- Revetments



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LA SALLE V-8

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larged to increase the protection of the Tensas Basin, this work covering stretches in both southeastern Arkansas and northern Louisiana.

Had our trip carried us up the Arkansas River we would have seen levees along its south bank being raised and strengthened almost as far upstream as Pine Bluff, Ark., work which is intended to prevent levee breaks such as occurred there in the great flood of 1927.

Levees stronger on both sides

BELOW the mouth of the Red River we find levees on both sides of the Mississippi being strengthened and raised, those on the eastern banks to protect the Pontchartrain Basin, those on the west the Atchafalaya. Over in the latter basin, where required on account of bank caving, new setback levees are being built along the Atchafalaya River. This stream flows from the Red southward to the Gulf, forming an outlet for Mississippi flood waters.

Up and down the length of the Mississippi as we travelled southward we also have seen odd-looking barges moored at many of the river's numerous bends. These craft, called sinking barges, are engaged in bank-protection work, sinking great mats of willow or reenforced concrete slabs, linked together by strong cables. These mats, amply thick and some of them measuring as much as 1,000 by 200 feet, are placed at points where the river threatens to carve out its bank and thus endanger the foundations of levees. Such revetments also serve to stabilize the river's course, a service both to flood control and navigation. Woven willow mats were formerly used

exclusively for this work, the present concrete mat having been developed only after long experimentation. Now both types are used. Nearly 175 miles of effective revetments are now in place, a total of some 90,000 lineal feet having been laid during the year ending June 30, 1931.

If low river stages prevail, we have also seen numerous dredges. Their work, however, is chiefly in the interests of navigation rather than flood control. They, too, have been refined through constant experimentation, until now the largest can dig a cut six feet deep and 32 feet wide through a sand bar at a rate of 360 feet an hour.

We come now to the end of our cruise and also to one of the most vital links in the whole chain of flood defenses. That is the Bonnet Carré spillway and floodway project, 20 miles above New Orleans. This project, only recently completed, removes for all time the Mississippi's perennial threat against the South's largest city.

The spillway itself, a huge piece of masonry construction, is at a point near which, some years ago, several disastrous breaks in the old earthen levees occurred. Its mechanically controlled gates will permit the passage of a fifth to a sixth of the total river content at this point in time of maximum flood. From the main river the rising flood waters will pass over the masonry spillway.

From there they will be guided between levees through a floodway about five miles long to Lake Pontchartrain.



COURTESY CORPS OF ENGINEERS, U. S. A.

Bonnet Carré Spillway ends once and for all the Mississippi's threat against New Orleans

Thence they will go harmlessly on toward the Gulf. The spillway will divert sufficient water to keep the river below the danger point at New Orleans.

Larger job than Panama Canal

SOME idea of the magnitude of the levee work being done up and down the river may be gained from the fact that the plan calls for the moving of some 500 million cubic yards of earth, more than twice as much as was excavated in the digging of the Panama Canal. Since the launching of the present plan some 131 million yards have been moved.

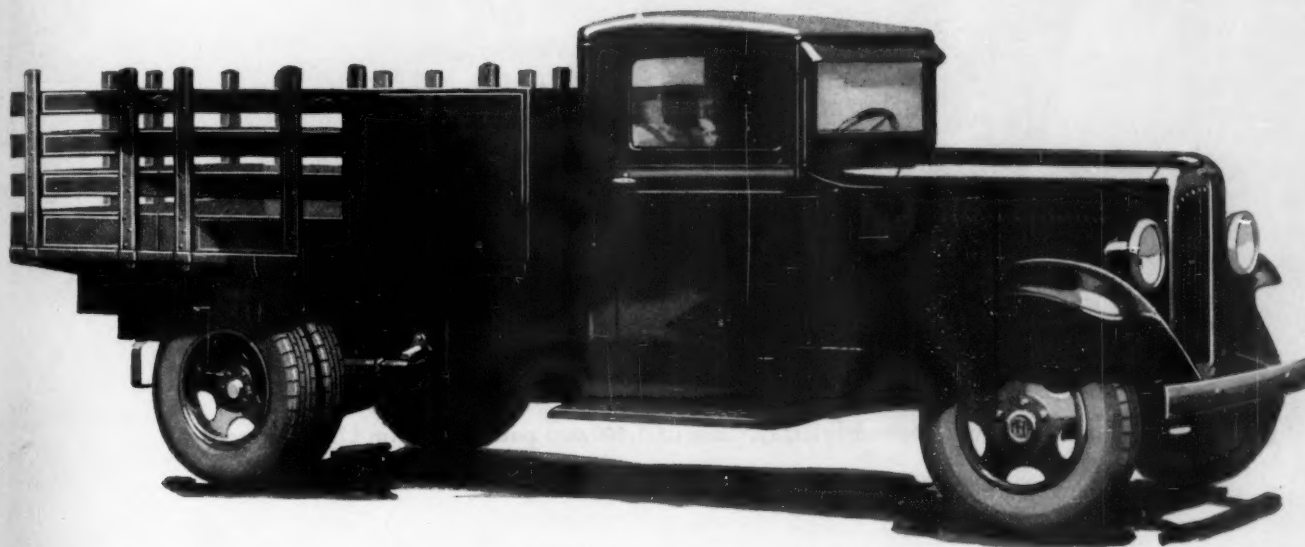


Tangled swamp growths, one of the many difficulties encountered in the work, make heavy going for this dredge

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The "Pleasure Marine" Weighs Anchor

By J. HOWARD TEAGAN

Sales Manager, Gar Wood, Inc.

AS TOLD TO ROBERT N. TAYLOR

OUR truly great enthusiasms creep up on us unawares. In 1900 or even in 1910 few people could have been persuaded that the most humble of American bread winners would be driving his own automobile by 1930.

Today you hear people asking "What next?" Will it be flying, television or something we wot not of? There is much cause to believe that our next universal, enveloping craze will be sea-going, and that, unaware as the great majority is, it is well upon us.

Discussions of whether or not America is or can be "sea-going" have been limited to consideration and examination of our merchant marine, the learned cussers and discussers having

overlooked completely a factor of impressive and rapidly growing significance—the American "Pleasure Marine."

But before you decide you have no serious interest in fleets of heterogeneous yachts, schooners, cruisers, speed boats, outboards, rowboats and whatever floats more or less attached to yacht clubs, here is a hard-boiled thumb-nail sketch of romantic sport that may be new to you.

The "Pleasure Marine" is a market for more than boats, their raw materials and boat-building skill. It has just come into a new phase of existence that is making it a buyer of sand, gravel and concrete, of dredging, sand sucking, pile driving, blasting, of labor, machinery, lumber, buildings, service equipment

IN a time when business has been more than usually difficult, the pleasure boat industry is having one of its best years. And if you think that doesn't interest you, read about the unexpected industries that share the boat builders' prosperity

(much of it as yet uninvented, undesignated, unmanufactured) in million-dollar volume.

We are boat-minded

AT the close of 1930 there were approximately 1,400,000 power boats on coastal waters, in the Great Lakes, the lesser lakes and rivers of the United



Perhaps you, too, are unwillingly gambling your profits and good will on an inaccurate production process . . . A process that makes you feel like weeping when you read the cost figures at the end of the month!

So was a certain manufacturer of lemon-pie filling. The product consisted of three units: a powder, a pearl of extract flavoring, and a white tablet. They were dropping the pearl and tablet into the package by hand, after which the machine automatically filled the powder. The result was that quite often either the pearl or tablet were missing. The process was both inaccurate and slow.

Special Production Machines designed and built a machine that eliminated the slow hand operation. It saved the work of seven girls. It made the operation accurate. It assured them of putting the product out right. They are now using three of these machines with complete satisfaction.

Special Production Machines has saved thousands of dollars for manufacturers by taking the "gamble" out of certain production processes that

depended too much on "chance" for success. Perhaps we can help you. Write Special Production Machines, 67 Newport Avenue, Norfolk Downs, Massachusetts.

Special

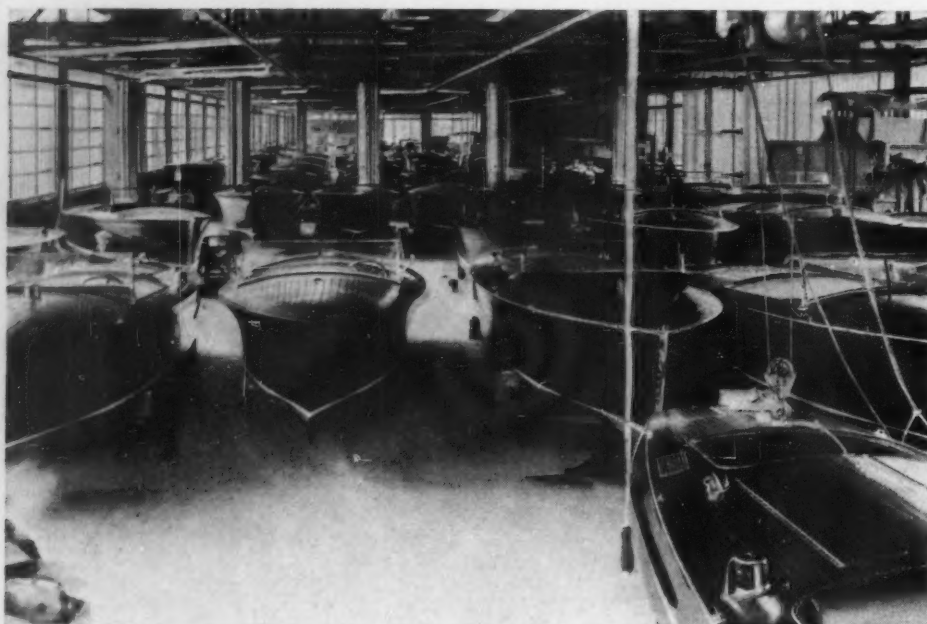
PRODUCTION MACHINES

A Division of PNEUMATIC SCALE CORPORATION, LIMITED

For over forty years, Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise

SPECIAL PRODUCTION MACHINES, NORFOLK DOWNS, MASSACHUSETTS

When writing to SPECIAL PRODUCTION MACHINES please mention Nation's Business



Boat dealers offer standard models from \$500 to \$60,000

COURTESY GAR WOOD, INC.

States. How many thousand sailboats augment this pleasure fleet no one seems to know, but from all indications the windjammers are increasing almost as rapidly as motor boats.

The principal significance of this large figure, however, is that it gives authority to the deduction that there must be in this country right this minute from a million and a half to five million people enjoying various degrees of boat-mindedness. There are of course nothing like a million and a half yachts in the whole world, since a tremendous percentage of this figure represents those small boats that hang the engine-room over the stern, and vary in type from old-fashioned rowboats to the ultra modern and ultra scientific all-metal, stream-lined step hydroplanes. But the experience of the boat industry during the years since the war teaches that today's outboard market is tomorrow's cruiser and runabout market.

No amazing figures

WE have become so numbed by huge figures that any figures on power boats of the larger, inboard-powered type may seem picayune and inconsequential (just as the automotive industry appeared inconsequential to many keen minds 30 years ago). But analysis and comparison may be enlightening.

The total number of power boats (more than 16 feet) registered by the Department of Commerce as of December 31, 1930, was 248,448. In 1919, when registration was begun, there were 91,779. Here is an increase of 170 per cent in eleven years. Remember

that the motor boat preceded the motor car, and reflect that it required more than 30 years to bring power boat registration up to the first hundred thousand—and that the second hundred thousand mark was passed within seven years!

But do not expect this "Pleasure Marine" to become a giant twin for the motor car industry, a Golconda that will duplicate the fortunes that stud America's industrial crown. Rather, it should be pointed out that pleasure boat building has emerged from a 40-year-old chrysalis, an industry of respectable proportions and facing a significant future.

Automobile competition

TO a degree, the boat industry is in competition with the automotive industry, but it is distinctly not a rival. It competes in providing a newer toy, in reawakening the thrills and romance that motorists knew 20 years ago and that have been driven from the highways by modern traffic conditions. But the motor boat obviously cannot replace the motor car.

As we said before 10,000 may not be very many automobiles, but 10,000 pianos are a lot of pianos, 10,000 homes are a lot of homes and most assuredly 10,000 boats, when they range in unit price from \$1,000 to two million dollars and more, are a lot of boats.

But by far the most startling thing about the boat industry is not so much what it was and is, as what it is going to be. In view of present day facts, little clairvoyance or crystal gazing is required to paint the picture.

The building of motor boats, haphaz-

ard and highly individual for years, is today almost entirely on a well organized, standardized production basis. The first "standardized" boats appeared 35 years or more ago.

Yet it remained for the last five years to put the industry in general on a basis that is remotely approaching good business practice.

An eloquent example of the industry's condition as recently as three years ago is seen in a survey conducted by a leading boating publication which showed that for more than 2,800 builders of boats there were slightly more than 200 dealers in boats!

Three or four years ago boat builders scoffed at time payment plans. Instalment selling might be very well for every other commodity in the world, but it would never be practical on boats because of the high insurance charges, high depreciation rate, and so forth and so on. But the fact is that today approximately as many new boats are bought on terms as are paid for in cash. Undoubtedly the percentage of financed deals will continue to grow, since these credit arrangements have proved in the main good business for both the seller and the buyer.

Old and new boat builders

CHECKING over a recent list of builders of standardized craft, both cruisers and runabouts (but not including outboards) we find 58 companies presenting 287 different models of stock design and ranging in price from just over \$500 to just under \$60,000. Among these concerns are old boat builders and new.

The first builder of standardized cruisers, organized originally to build submarines, maintains his front rank position, but he has found strange running-mates in 1930, two former leaders in the piano industry, an offshoot from an automobile body plant, a newly created division of an electric street car manufacturer, a builder of railway cars and motor buses and a lumber yard. And in 1931 an aircraft builder has joined the party. It might be added that these comparative newcomers lured from strange fields of endeavor, are among the most aggressive contenders for leadership in their respective divisions of the industry.

In the outboard boat field, the picture is not materially different. It is a much newer branch of the industry, yet, par-

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adoxically, some of its members are among the oldest boat builders. Probably the first standardized boat the world ever saw was the steel-stamped duck-boat invented, designed and put into production by the late W. H. Mullins of Salem, Ohio, in 1884.

No small industry

WHY, then, are so many aggressive concerns, with millions invested in plant and equipment, millions more in materials and inventory, spending millions in the aggregate to win the good will of the great American public? The present requirements of the industry are nothing for anyone to sneer at. In 1930 this market absorbed nearly 20 million board feet of the highest grades of selected lumber, a quarter million gallons of the best paint, more than 70,000 gallons of marine varnish, millions of dollars' worth of hardware and equipment and required a 20 million dollar pay-roll to fabricate these materials into sea-going playthings. But the fact that the soundly managed concerns are operating profitably in the present market is less than half the answer.

The cold truth is that they have been

foresighted enough to vision an expansion that will ultimately multiply the number of pleasure craft a hundred fold and more, an expansion that can conceivably triple the number of boats in a major market (such as the New York City area) within a single year!

Pipe dreams? Let's get out the map and a box of pretty colored pins and see. Here and there about the country in coastal cities, lake cities and river cities public opinion has been jelling for several years to the idea that water fronts need not be filthy, smelly, verminous reaches of decay and ugliness. As the thought that water fronts might be beautified came into popular acceptance, a twin notion that water fronts might be made useful and pleasurable to the people at large captured the imagination of boating enthusiasts.

Harbors are being developed

THESE boat men and women have found a powerful and energetic champion in the National Association of Engine and Boat Manufacturers. It is through this organization and the vision, foresight and labor of its secretary, Ira Hand, that isolated water-front de-

velopments have become almost general and definitely national in scope.

Today this problem is in the minds of municipal and state officials everywhere. Progressive realtors are taking impressive advantage of what is expected to be the next great enthusiasm of the people at large. Yacht harbor programs are moving so fast that the list of developments prepared this week is likely to be out of date by next, but, according to the most recent available data, the urge for more beautiful and more useful water fronts, with special emphasis on pleasure boat facilities is finding (or has found) concrete expression in Boston, New York, Charleston, S. C., Miami (the city that showed America how to do it), Chicago, Detroit, Cleveland, Memphis, New Orleans, Houston, Galveston, Corpus Christi, Los Angeles (to be the key port for similar smaller scale developments at Santa Barbara, Ventura, Hueneme, Santa Monica, Avalon, Long Beach, Newport-Balboa, Dana Point, San Clemente Village, Oceanside, Solana Beach, La Jolla and San Diego), San Francisco and Seattle.

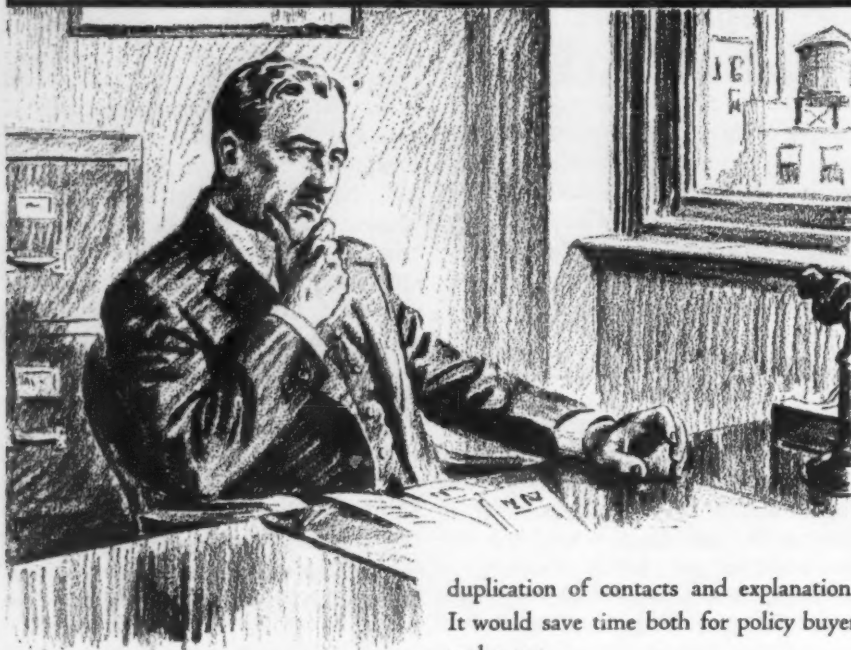
It is hardly possible today to estimate the total cost even of those programs that are under way. But a few instances



A few of the outboard hydroplanes that took part in the Catalina Island Sweepstakes —and the outboard enthusiasts of today are the cruiser enthusiasts of tomorrow

WIDE WORLD

A challenge to your memory



How many property insurance policies do you have? What companies issued the policies?

Unless you are the exception you will not be able to answer those questions. And if you will count your policies you will probably find almost as many companies.

It is unfortunate that much property insurance is bought without careful reference to the company. For the result is a collection of documents from many concerns—some strong, some weak.

If insurance buyers would concentrate their policies on each piece of property with one agent, in one reputable company, it would be to their advantage in many ways. In the first place the agent could have a more intimate knowledge of the hazards involved and the coverages in force. It would facilitate his work in providing correct protection for every possible need. Also, it would provide great convenience in eliminating

duplication of contacts and explanation. It would save time both for policy buyer and agent.

But most important it would speed up settlement of claims, since all dealings would be with one company.

Unlike other businesses, this method of purchase does not have the disadvantage of "putting all eggs in one basket." All sound stock insurance companies provide means of distributing large coverages in order to provide extra protection for themselves and their policy-holders. But the method puts the burden of work on the company—not on you. It eliminates waste time and effort—assures personal detailed service, unavailable in any other way.

The Agricultural agent in your community will gladly discuss this subject in detail. Call him—or write us for his name.

Agricultural
Insurance Company.
of Watertown, N.Y.

THESE AGRICULTURAL POLICIES ARE AVAILABLE TO ALL PURCHASERS
Fire • Parcel Post • Automobile • Marine • Use and Occupancy • Rent and Leasehold • Windstorm • Floater
Aircraft Damage • Sprinkler Leakage • Earthquake • Explosion and Riot • and other property coverages

When writing to AGRICULTURAL INSURANCE COMPANY please mention Nation's Business

will indicate that the jobs run into money. Chicago, for instance, plans to spend 100 million dollars on her monumental lake front development. New Orleans estimates the Lake Pontchartrain operations to cost 40 million dollars. New York, Detroit, Charleston and others are planning two or more yacht harbor developments. Los Angeles plans to spend a million dollars for the new San Pedro yacht harbor, and San Diego, \$600,000.

These expenditures in themselves mean business for contractors of every sort, for a long list of producers and manufacturers from axes to yarn, from aluminum to zinc, from aspirin to xylophones.

What these developments will do to the "Pleasure Marine" may be judged by the fast company that boat builders are keeping, or by the opinion of Ira Hand, the father of the modern yacht harbor, who estimates that the basins planned for the New York area will, when completed, increase New York owned pleasure craft from the present 30,000 to 100,000.

It was the face of Helen of Troy, so they say, that launched a thousand ships, but the sun-tanned charms of America's Mary Janes and Gwendolyns are today launching a thousand ships a month—and with no better facilities for caring for those ships than we had 30 years ago.

Thus, so far as the future is concerned, perhaps you'd better write your own ticket.

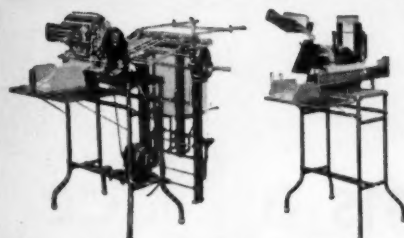
After all these years the pleasure marine has weighed anchor . . . and it's going somewhere.

Modernizing Plants

"ONE thousand business leaders could end this present slump without a super-plan; without resort to taxation or bureaucratic interference, if they would do simply what Andrew Carnegie always did in hard times," said Carl A. Johnson, president of the National Machine Tool Builders' Association recently.

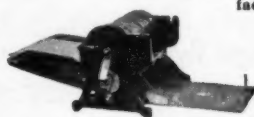
"In every depression he got his plants ready for the next period of business activity by junking every piece of out-of-date equipment, and by replacing it with equipment that produced at lower costs." If manufacturers would follow this custom now, they would not only make their plants more efficient, but also make work for the construction and equipment industries when the whole country needs work most.

Meeting the Demand of American Business for Economies that Cut Costs and Build Profits



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MARKED similarity identifies the motives and methods of American business men. All seek profitable sales volume . . . low operating costs. To get them, MULTIGRAPH is employed because of the *substantial economies* it brings to essential activities in all kinds of business, from small retail stores to giant corporations.

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... IS BEING MADE OR SAVED
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Write for portfolio showing 33 ways in which MULTIGRAPH will save and make money for you. Better yet, ask a representative to explain.

NAT

The Autogiro pilot can land safely near obstructions



AERO SERVICE CORPORATION

The Autogiro Now Claims a Place

By H. F. WOODS, Jr.

THE recent prediction of David S. Ingalls, assistant secretary of the Navy for Aeronautics, that the Autogiro will bring to aviation the safety factor it has so long sought, focuses attention on this newest type aircraft and the progress it has made in this country since its American sponsor, Harold F. Pitcairn, introduced it late in 1928.

The Autogiro is fairly well known in this country today. It has made several formal appearances, such as daily flights during the National Air Races at Cleveland in 1929 and again at Chicago last year. Informally, the machines have visited New York, Miami and other cities as far west as Chicago. Now its American sponsors have permitted the announcement that they are ready to license manufacturers of high standing to build Autogiros.

Back of this simple announcement is a story of interest, not only to the aviation world, but to the public. The story concerns the repeated tests of the Autogiro and the patient development of a radically new type of heavier-than-air craft.

In 1923 Juan de la Cierva, a Spanish aviator and student of aviation engineering and aerodynamics, built the first

●
IN 1928 this strange flying machine with the rotating wings came to this country. Nothing much was heard about it until recently. Today, however, many people are talking about it. Mr. Woods explains the reasons for this increase in interest as well as the silence that preceded it

Autogiro. He utilized an entirely new aerodynamic principle. Like all pioneer developments, this first craft was not all that it should be. But Cierva was certain that his theories were right and he continued his experiments.

In 1928 Harold F. Pitcairn, head of the Pitcairn Aircraft interests, went to England, conferred with Cierva and brought back the first Autogiro to reach this country. A month later he purchased the American rights to the machine and began a program of development.

The Autogiro is not an airplane in the generally accepted sense. It has two wings with upturned fins which provide lateral control but practically all of the lift is imparted by the four blades which revolve at the top of the plane. In



THERE SHE BLOWS!

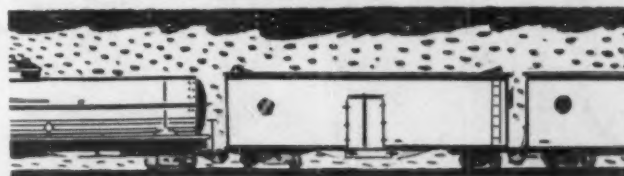
WHALING recently has received a great impetus. Modern chemistry has found ways of using whale oil in the manufacture of soap and candles, as an adulterant for lubricants, and in many other ways.

General American has played an important part in the revival of this old industry. When whale oil arrives in this country it is transferred to inland manufacturers in General American tank cars. The finished products are then transported in other types of General American railroad freight cars to all parts of the country.

This is true of hundreds of other commodities as well as whale oil. More than 750 different products are carried in General American *tank* cars alone. They come from all parts of the world as well as from every section of this country. Whole cargoes from foreign ports are unloaded at the General American public terminal in New Orleans and kept there until they are needed by the manufacturer. Then they are brought to him in General American tank cars. A simple and convenient operation that saves many thousands of dollars.

Many manufacturers have found General American a most efficient aid in reducing transportation costs. From our fleet of 50,000 cars (refrigerator, milk, stock, express refrigerator, and tank) they lease just the cars they need. They save a great initial investment and eliminate all maintenance expense as well as the loss that always results from idle cars.

In addition to leasing cars, General American builds all kinds of railroad freight cars. They carry products that range from helium gas to bananas, pigs to caustic soda. There is no kind of car that General American does not or cannot build . . . including the particular car that will carry your product in bulk. Address *Continental Illinois Bank Bldg., Chicago.*



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their revolving and in the manner in which they revolve lies the whole secret of the Autogiro.

These rotor blades are not connected with the engine excepting to start them on the ground. They revolve only because of the pressure of air against them. Furthermore, they are articulating blades, hinged at their base. This permits them to "cone" and their ability to do this eliminates the need for structural bracing and is a strong factor in their lifting power.

Autogiro is similar to airplane

THE Autogiro differs from the airplane principally in this one particular. Otherwise it has much in common with the conventional airplane. Both have the same type power plant. The airplane fuselage and the Autogiro fuselage are similar, the controls are the same and the same instruments are used in both. Their handling is much the same. Any aviator can fly an Autogiro after a few minutes verbal instruction on the ground. At present the airplane is faster than the Autogiro but the Autogiro has certain advantages. Among these is its ability to land and take off in small areas. It can take off with a run of from ten to 100 feet and it lands vertically, stopping within ten feet of where it landed.

The airplane cannot fly slowly. It must maintain flying speed to remain in the air. Any less speed will cause it to lose altitude or to stall. The Autogiro, on the other hand, can cruise along at 25 miles an hour without losing altitude. It is impossible to put it into a spin.

The airplane depends on its motor for its forward speed.

So does the Autogiro. When the airplane's motor stops it must glide to a landing. But the field must be large enough to let it roll from 200 to 1,000 feet. When the Autogiro is deprived of its forward motive power in mid-air it can land on a highway, in a backyard or even on the flat roof of a large building.

To the Autogiro landing is simplicity itself. The pilot merely holds the nose of the plane in the air by pulling back on the "stick." Of course, the ship must be nosed into the wind. The Autogiro, with rotor blades moving, descends more slowly than a man with a parachute. It just settles to earth.

This mechanical bird which Cierva fathered is capable of other things. Although it cannot climb vertically, it can get off the ground in from ten to 100 feet. It can turn and bank at low altitudes with safety.

This is a safety factor of no mean importance. Imagine, for example, an airplane taking off on a field surrounded by high tension wires, trees or hangars. Suppose the pilot suddenly finds he cannot clear these obstructions. He will need all his skill to avoid a crash, either by hitting the obstacles or by going out of control when he tries to turn quickly at a low speed.

The Autogiro pilot in a similar situation has two choices. First, he can cut his motor and stop almost in his tracks, descending vertically to the ground. If he prefers he can make a sharp turn at slow speed and clear the obstruction.

To one who learns of these things for the first time several questions invariably present themselves:

"Why, if the Autogiro is so efficient, has it not been adopted more widely? Why are there so few of them? What are its drawbacks?"

These questions deserve an answer. The Autogiro has not been adopted more generally because of the policy pursued by the American Autogiro Company. The first Autogiros were not perfect. They were put through a multitude of tests. This took time.

Products of experiment

FOR example: After an Autogiro was built it was tested and flown. In flight it underwent tests for climbing, speed, power and other things. After these tests, the structure itself was studied. Engineers noted the stress and strain on the fuselage. Such things as the pitch of the blades, the size of the bearings or the type of lubricant used in the rotor housing were changed until the ideal was achieved.

On the first Autogiros the rotor blades did not start moving as quickly as was desirable. This led to the development of a clutch arrangement by which the power of the engine was used to move the rotor blades



AERO SERVICE CORPORATION

The Autogiro has made informal flights to many American cities. It is shown here flying over Battery Park in New York City

while the plane was on the ground. Before the plane took off the clutch was disengaged and the blades moved solely because of the action of the air against them.

Again, the early Autogiros had a speed of only 65 or 70 miles an hour. Some of the current models can travel 125 miles an hour and have a cruising speed of 100 miles. These improvements took time.

Production on a commercial scale was not attempted until the sponsors had made it as perfect as they could. So far a number of Autogiros have been made in America. They have flown thousands of miles without a single accident involving serious personal injury. This is remarkable when one considers that this has been an experimental period.

Harold F. Pitcairn, president of the Autogiro Company of America, has taken an active part in the development of commercial aviation. Others of his aviation interests build the Pitcairn Mailwing airplane and were the successful bidders in 1927 for the New York-Miami air mail route. This route was sold in 1929.

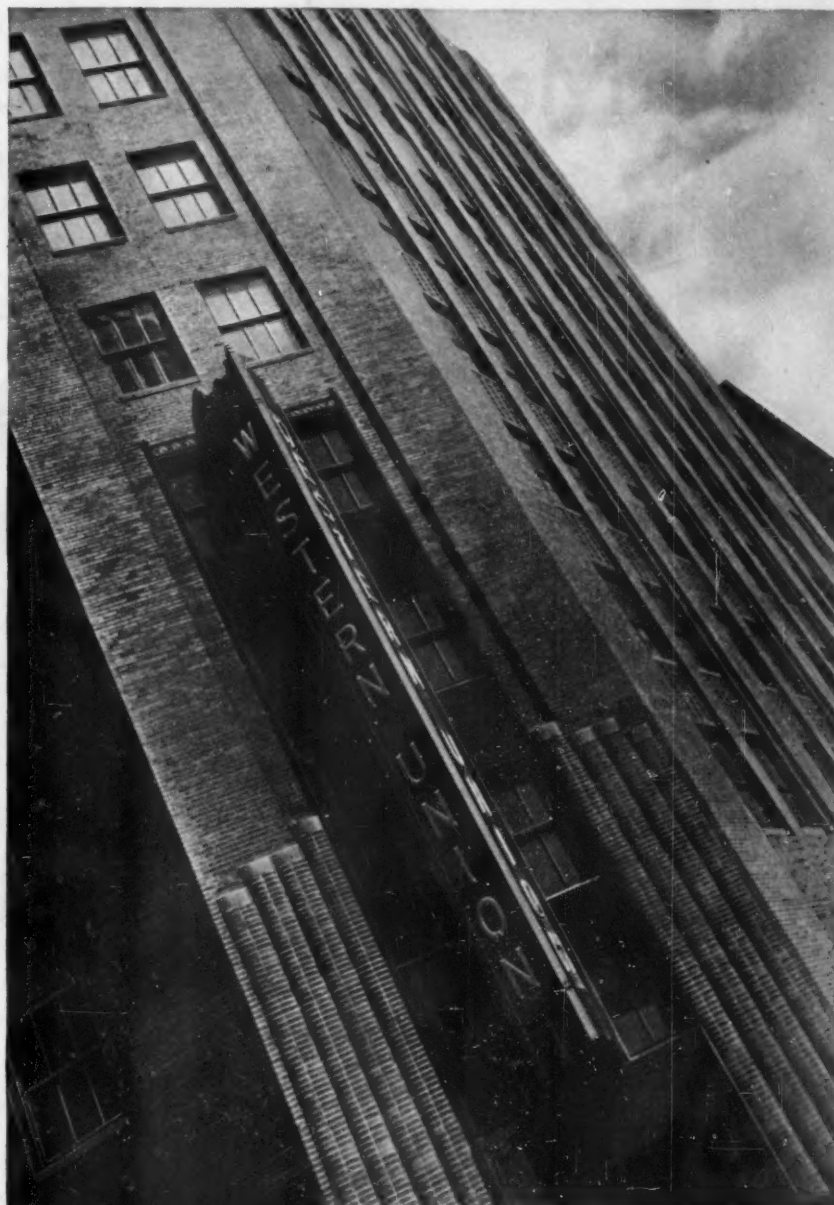
Mr. Pitcairn and his associates have unbounded faith in the Autogiro. Yet they have insisted on a policy of conservatism. There was no publicity about its development.

More Improvements to be made

TO BE sure the Autogiro has at present certain disadvantages. It is not so fast as the airplane. A 300 horsepower Autogiro will travel ten to 15 miles an hour slower than the similarly powered Pitcairn airplane. However, the developers believe that when they streamline the landing gear and do a little streamlining in the neighborhood of the rotor, the Autogiro's speed will increase by from five to 15 miles an hour. Future designs, they believe, will equal or excel the speeds of airplanes.

This will also help to reduce the operating cost. At present the gasoline consumption per mile is slightly higher than that of the airplane because of lower speed. Streamlining will also bring this down appreciably.

Mr. Pitcairn and his associates are not attempting to confine the development of the Autogiro for commercial purposes within their own organization. They visualize the day when Autogiros will be as commonplace on a country estate as automobiles, and they are inclined to agree with Thomas A. Edison, who, when he saw the Autogiro perform, said: "That's the answer."



Twelve principal construction contracts and six engineering reports have been completed by Stone & Webster Engineering Corporation for The Western Union Telegraph Company in the United States and foreign countries. Most recent structure is the client's Boston Office Building, completed June 1, of this year.

STONE & WEBSTER ENGINEERING CORPORATION

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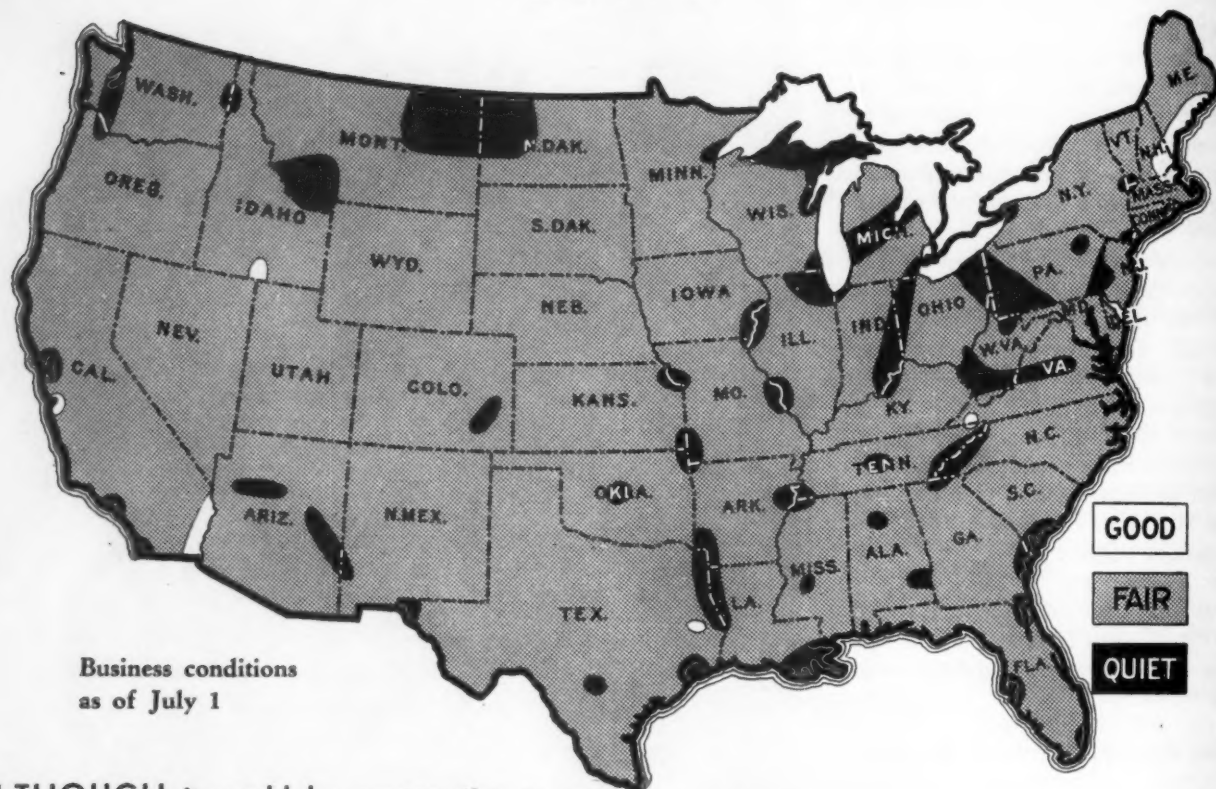
BUILDERS and ENGINEERS for the BUSINESS LEADERS of AMERICA

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The Map of the Nation's Business

By FRANK GREENE

Editor, Bradstreet's

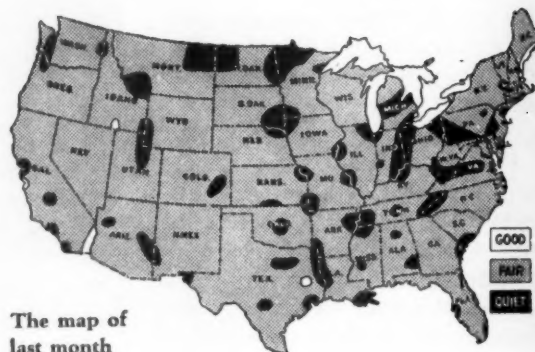


Business conditions
as of July 1

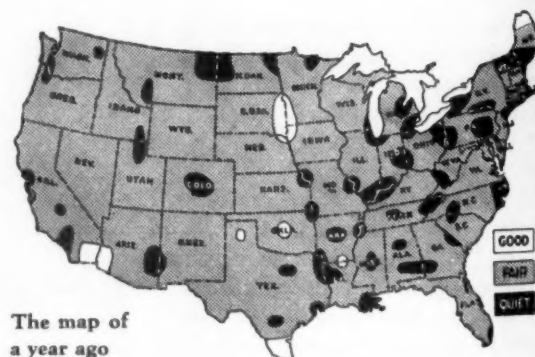
ALTHOUGH it would be exaggerating to say that June brought a burst of business activity, the month does stand out as about the most encouraging period since the great depression began

JUNE'S events demonstrated the essential truth of the statement made in preceding issues of NATION'S BUSINESS that there had been a gain in the business world's morale while actual events in that month made it stand out as about the most encouraging period since the great depression began. The three months long liquidation of stocks in the spring reached its low point on June 2, from which there was a steadying up of prices of both stocks and commodities. Later on and powerfully impelled by President Hoover's suggestion of a moratorium for war debts there resulted a general rise in stocks and commodities culminating in a moderate advance in price index numbers. Failures decreased a little from the like month a year ago, the first development of this kind in 13 months.

It would be exaggerating to say that business responded by an outburst of activity. But there was unquestionably a further accentuation of the better morale and a number of lines, notably copper, cotton, cotton goods, most of the cereals, leather and similar basic materials, sold in greater volume at higher prices although some speculative purchases seemed to have been realized upon later. Prices of the cereals did not maintain their strength. The net result



The map of
last month



The map of
a year ago

Failures in June were fewer than in the same month a year ago and there were indications of better morale all along the line



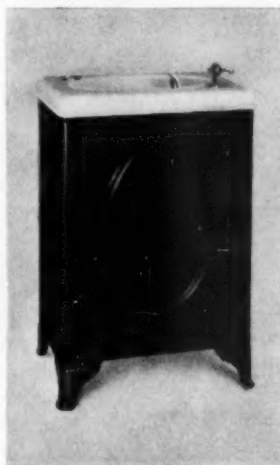
FRIGIDAIRE ANNOUNCES

AN IMPORTANT ADVANCE IN WATER COOLING EQUIPMENT

Frigidaire, out of many years' experience, has perfected a water cooler of a new and revolutionary type . . . one that offers many radical departures from commonly accepted coolers. ● And now this new cooler is ready! It is on display in Frigidaire showrooms everywhere. See it. You will find that everything about it is refreshingly new—that it offers many unusual features which place it far in advance of its field. ● Its lines are smooth and flowing—the last word in modern design. Its finish is a special harmonizing color that actually seems to change with its surroundings—so well does it blend with other colors. ● And many remarkable conveniences are built into this new Frigidaire Water Cooler! ● It is so compact that it can be placed anywhere—wherever it will save the most time, the most steps, and accommodate the

★ ★ ★

A new Frigidaire Pressure-Type Water Cooler for use in offices, stores, factories, etc.—wherever large capacities are required. Cools from 6 to 12 gallons of water per hour. Where unusually large capacities are required, Frigidaire Tank Type Coolers are available.



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greatest number of people. It can be connected at any convenient electrical outlet. It has the *extra power* that assures a plentiful supply of properly cooled water always in reserve. It is equipped with a faucet of unusual design—a faucet so responsive to the lightest touch that a cup of cool, fresh water can be drawn with one hand. ● And the new Frigidaire Water Cooler is as sanitary as it is convenient. It is completely sealed against insects and dust. The cooling coil is self-cleansing. And the silver-plated reservoir and all other parts touched by water are smooth, rust-proof and easy to clean. ● But no description can do this new cooler

justice. You must see it for yourself. Why not stop at the nearest display room and ask for a complete demonstration? Frigidaire Corporation, Subsidiary of General Motors Corporation, Dayton, Ohio.

★ ★ ★

Frigidaire Water Coolers may be had in models for cooling bottled water or city water . . . furnished with bubblers, faucets or glass-fillers to meet the needs of each individual installation. And some models have a special refrigerated compartment for sandwiches and beverages . . . a compartment with a tamper-proof lock fitted right into the door handle.

FRIGIDAIRE

WATER COOLERS

EQUIPPED WITH A REFRIGERATING UNIT
THAT CARRIES A THREE YEAR GUARANTEE

When writing to FRIGIDAIRE CORPORATION please mention Nation's Business

"The real truth is that is no Beast"...



"Skin" of fabled monster that lived in fire becomes indispensable ingredient in thousands of acres of Johns-Manville Roofs

MARCO POLO, redoubtable traveler, brought back strange tales from Tartary. He wrote:

"In this same mountain is a vein of the material from which the Salamander is made. For the real truth is that the Salamander is no beast, as they allege in our part of the world, but is a substance found in the earth."

Thus with two crisp sentences the Venetian destroyed the theory that asbestos was derived from the skin of the Salamander, fabled monster which lived in fire. He told further how silky threads of asbestos were woven into napkins for the Grand Khan—tableware calculated to withstand torrid entertainment!

Yet good reporter though he was, Marco Polo's "scoop" was more than a thousand years late—for authentic ac-

counts have come down of the use of imperishable asbestos wicks by the Vestal Virgins in their lamps, which they were obligated to keep burning without fail.

* * *

Wood burns. Asbestos is unchanged by flames or by temperatures up to 1500 degrees F. Stone disintegrates—asbestos defies erosion. Iron rusts—asbestos is immune.

Yet its fibres, seemingly delicate as cobwebs, can be spun into yarns and woven into cloth weighing only one pound to the square yard.

The modern history of asbestos is the history of Johns-Manville. The first surviving asbestos roofing advertisement appeared over the name of H. W. Johns (later Johns-Manville) "Patenter and sole manufacturer, established 1858."

Since that day, thousands of acres of Johns-Manville Asbestos Roofings, of various types, have been laid over the homes, factories, business buildings, institutions, of growing America.

Owners of vast deposits of the finest asbestos (the raw product varies greatly in quality), inheritors of an unmatched experience in its use, the present-day Johns-Manville supplies the world with built-up roofs for flat-top buildings, imperishable Transite for factories and warehouses, sturdy roll roofings for barns, outbuildings, and colorful, everlasting Asbestos Shingles for modern homes—in all of which silky fibres of asbestos are the indispensable ingredient. By other processes these fibres are made a part of Johns-Manville Insulations, Packings, Friction Materials . . . "The real truth is that the Salamander is no beast."

When writing to JOHNS-MANVILLE

the Salamander

MARCO POLO



Camera of STEICHEN, photographer of great men and beautiful women, catches the play of late afternoon sunlight on a Salem Roof

Long have architects sought a modern roof—modern in the sense that it would defy fire, weather and time, yet achieve the charm of the weathered, hand-hewn shingles of early New England.

In the opinion of leaders of the profession, the quest is ended with Salem Shingles. There is no obvious newness in a Salem Roof. Rather a feeling of tradition, age, substance, authenticity. Salem Shingles are made of asbestos fibres and Portland cement, combined under great pressure.

* * *

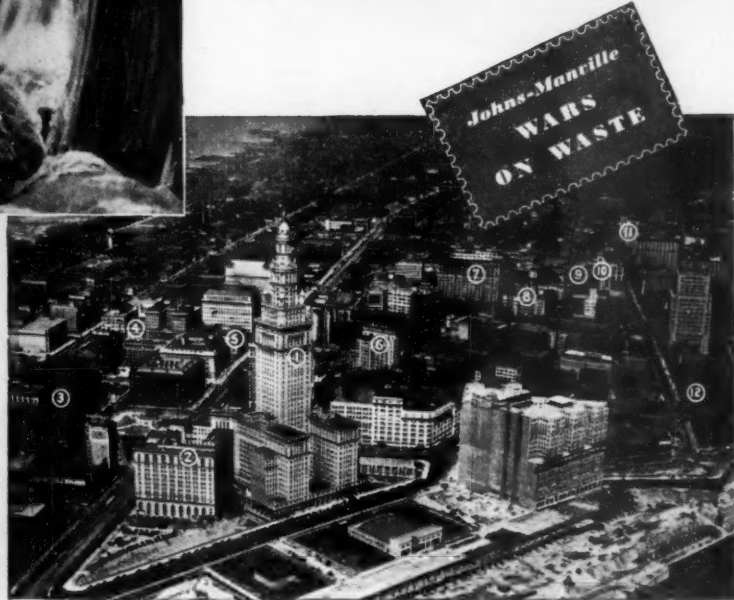
TRANSITE wins test: Minnesota By-Products Coke Co. uses it on 9 plant structures

Johns-Manville Transite, made of asbestos fibres and Portland cement, combined under a pressure of 300,000 lbs. to the square foot, is used for both roofing and siding. It is not affected by weather, industrial gases and fumes.

So when gases, coke dust and moisture proved poisonous to corrugated metal roofing and siding of the Minnesota By-Products Coke Company plant, Transite was given a chance to prove itself. A sheet of corrugated metal and a sheet of Transite were suspended over a rotary coke screen where hot coke dust and steam had a good opportunity to do their work.

After three years the sheets were inspected. The corrugated metal was badly rusted and eaten away. The Transite was in excellent condition.

Now Minnesota By-Products Coke Company has used Transite on nine plant structures. It will never require paint or replacement.



Johns-Manville roofs downtown Cleveland

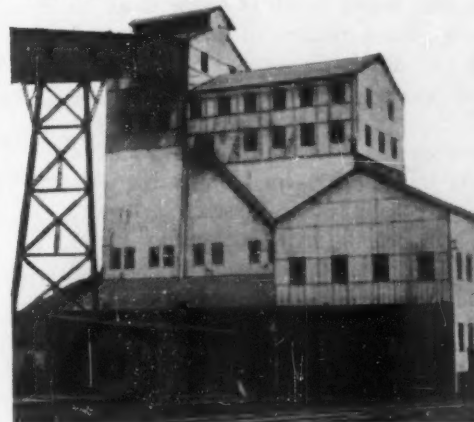
Prominent in the cluster of Cleveland skyscrapers are Johns-Manville Built-Up Roofs, on these buildings: (1) Terminal Tower (2) Hotel Cleveland (3) Old Stone Church (4) Otis Elevator Co. (5) Plain

Dealer Pub. Co. (6) Central National Bank (7) Union Trust Co. (8) Cleveland Trust Co. (9) Cleveland Athletic Club (10) Halle Brothers Co. (11) B. F. Keith Building (12) Sheriff Street Market.

Johns-Manville



CORPORATION please mention Nation's Business



Controls
HEAT, COLD, SOUND

Protects against
FIRE AND WEATHER

of the month's happenings certainly deprived that month this year of its reputation for dullness while hot weather plus the advent of the vacation period allowed of a fair retail trade and helped collections. Wholesale and jobbing trade and industry naturally saw a slight easing off in activity.

That the business community appeared to have been jolted out of the rut in which it was travelling cannot be denied but that this same business community will proceed immediately to perform any wonders is improbable.

In retail trade the public now recognizes that trade volume has begun to draw ahead of a year ago.

Heavy crops probable

HOT weather was general in the later days of June and in early July. This forced the concededly large winter wheat crop to maturity and gave a marked impetus to the growth of corn. These resulted in some large private estimates, nearly a billion bushels advance over last year's harvest for corn with a good sized gain in wheat. The growth of cotton was stimulated on its estimated 8 to 12 per cent decrease in acreage. Spring wheat in the Northwest, especially Montana and North Dakota, lacking moisture, had apparently gone back but there was left, however, a good net gain in the total wheat crop over a year ago. The general crop prospect seemed to leave little to be desired from the standpoint of quantity although the question of prices is complicated in the case of wheat by the immense carryover on July 1 in the hands of the Farm Board's auxiliaries.

In the case of winter wheat, large deliveries of new wheat in the Southwest have tended to depress quotations to the lowest level in more than 30 years. Some returns to farmers quoted in Oklahoma, Texas and Kansas give the prices paid on the farm as low as 35 cents, as against 70 to 80 cents a year ago but a cheerful note is sounded here in the statement that many yields per acre are double those of last year.

Whether the conceded smaller yield in Canada and possibilities of other countries having shorter crops will take up some of the estimated large carry-over remains for the future. Otherwise the farmer may have to take a low price for his grain. Given a large production which seems probable, the prospect at the moment seems to be for moderate, if not low, prices for foods. The railroads who are asking for higher rates may benefit from the large crop.

The end of June invites some looking

back at the first half year and this examination shows many ups and downs in the records. In the tables below are grouped the percentages of gains or

losses monthly in a number of leading industries with like returns for financial or other measures of movements.

Results, whether deemed favorable or

TRENDS IN INDUSTRY

	Jan.	Feb.	Mar.	Apr.	May	June	5 Months
Automobiles	-34.7	-33.4	-30.2	-24.3	-25.0	.....	-29.2
Building	-15.4	-10.9	-9.2	-15.9	-29.0	.....	-16.9
Cement Output	-22.6	-27.5	-26.7	-16.8	-18.8	.....	-21.5
Cigarette Output	-8.2	+4.3	+6.9	+6	-1.4	.....	+0.1
Coal, Bituminous	-22.5	-20.6	-5.3	-20.6	-21.1	.....	-18.4
Copper Production	-22.6	-17.6	-19.6	-19.2	-21.2	.....	-20.2
Cotton Consumption	-21.2	-12.3	-3.5	-4.4	-1.6	.....	-9.0
Electricity—KW hours	-8.0	-6.3	-4.0	-4	-5.4	.....	-5.6
Gasoline Consumption	+4.0	-1.2	+7	-3.2	-2	.....	-6
Petroleum Consumption	-14.1	-3.4	-4.5	-3.4	+3	.....	-3.7
Pig Iron Production	-39.3	-39.8	-37.4	-36.5	-38.3	.....	-38.3
Rubber Consumption	-22.1	-12.0	-8.7	-17.1	-5.2	.....	-13.0
Shoe Production	-26.8	-8.7	+1.8	+2.5	.....	.....	-6.4*
Silk Consumption	-3.0	+8.8	+8.8	-5	+10.4	+45.0	+11.6†
Steel Ingots Output	-34.6	-38.0	-29.6	-33.7	-37.0	.....	-34.6
Wool Consumption	-22.4	+2	+8.5	+29.6	+60.1	.....	+12.7

* Four months. † Six months.

OTHER MEASURES OF MOVEMENT

	Jan.	Feb.	Mar.	Apr.	May	June	5 Months
Bank Clearings	-21.3	-20.6	-23.0	-21.4	-23.3	-20.8	-21.8†
Car Loadings	-17.8	-19.1	-16.3	-17.4	-18.0	.....	-17.8
Earnings Railway Gross	-19.0	-21.3	-16.9	-18.0	-20.5	.....	-18.8
Earnings Railway Net	-39.3	-54.2	-24.9	-37.2	-40.7	.....	-38.8
Failures	+31.0	+5.5	+14.8	+7.6	+5.2	.....	+12.6
Merchandise Imports	-41.3	-37.8	-29.7	-39.2	-36.2	.....	-37.0
Merchandise Exports	-39.1	-35.2	-35.8	-34.5	-35.9	.....	-36.5
Price Index	-2.1	-1.5	+6	-3.4	-3.0	+1.5	-7.7†
Retailing							
Chain & Mail	+10.6	-6.2	-4.2	-3.3	-5.0	.....	-4.8
Dept. Stores	-7.0	-9.0	-3.0	-9.0	-14.0	.....	-9.0

† Six Months

BUSINESS INDICATORS

Latest Month of 1931 and the Same Month of 1930 and 1929
Compared with the Same Month of 1928

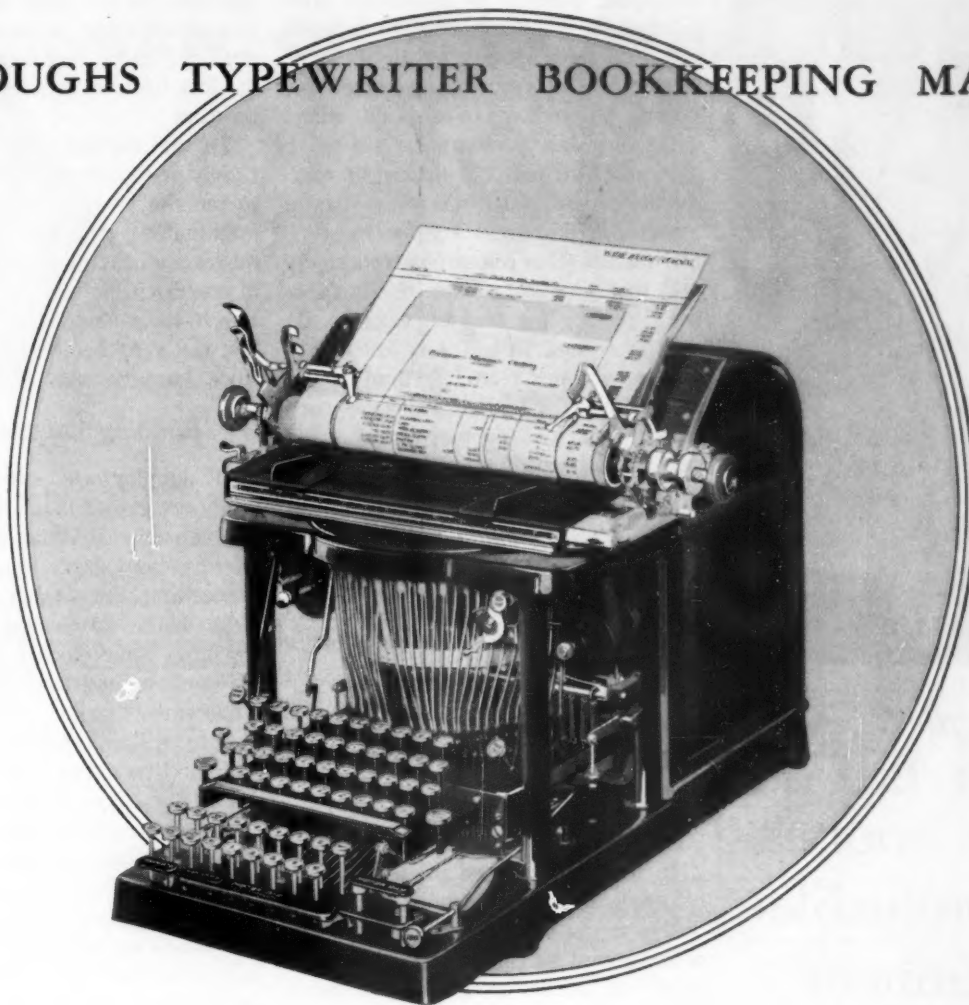
	Latest Month Available	1931	1930	1929
Production and Mill Consumption				
Pig Iron	June	53	95	120
Steel Ingots	June	55	96	136
Copper—Mine (U. S.)	May	62	82	127
Zinc—Primary	June	46	86	103
Coal—Bituminous	June*	79	96	108
Petroleum	June*	102	106	115
Electrical Energy	May	109	113	113
Cotton Consumption	May	85	84	116
Automobiles	June*	68	86	144
Rubber Tires	April	77	88	115
Cement—Portland	May	81	100	93
Construction				
Contracts Awarded—37 States—Dollar Values	June	51	96	87
Contracts Awarded—37 States—Square Feet	June	37	53	79
Labor				
Factory Employment (U. S.) F.R.B.	May	81	95	106
Factory Pay Roll (U. S.) F.R.B.	May	72	94	110
Wages—Per Capita (N. Y.)	May	92	100	103
Transportation				
Freight Car Loadings	June*	74	92	107
Gross Operating Revenues	May	72	91	105
Net Operating Income	May	47	79	117
Trade—Domestic				
Bank Debits—New York City	June	56	83	95
Bank Debits—Outside	(X) June	75	92	100
Business Failures—Number	June	102	104	91
Business Failures—Liabilities	June	173	212	105
Department Store Sales—F.R.B.	May	89	98	102
Five and Ten Cent Store Sales—4 Chains	June	101	96	105
Mail Order House Sales—2 Houses	June	113	127	129
Trade—Foreign				
Exports	May	49	76	91
Imports	May	51	80	113
Finance				
Stock Prices—30 Industrials	June	66	114	151
Stock Prices—20 Railroads	June	57	97	114
Number of Shares Traded	June	90	123	112
Bond Prices—40 Bonds	June	98	98	96
Value of Bonds Sold	June	102	88	91
New Corporate Issues—Domestic	June	35	87	104
Interest Rates—Commercial Paper, 4-6 Months	June	45	72	126
Wholesale Prices				
U. S. Bureau of Labor Statistics	May	72	90	97
Bradstreet's	June	67	80	95
Fisher's	June	72	88	99
Retail Purchasing Power, 1923=100%				
		May 1931	May 1930	
Purchasing Power of the Retail Dollar		115	103	
Purchasing Power of the Clothing Dollar		124	108	
Purchasing Power of the Food Dollar		121	97	
Purchasing Power of the Rent Dollar		120	110	

* Preliminary

X Excludes Boston, Cleveland, Chicago, Los Angeles, Phila., Detroit, San Fran., and New York.

Prepared for Nation's Business by General Statistical Division, Western Electric Co.

BURROUGHS TYPEWRITER BOOKKEEPING MACHINE



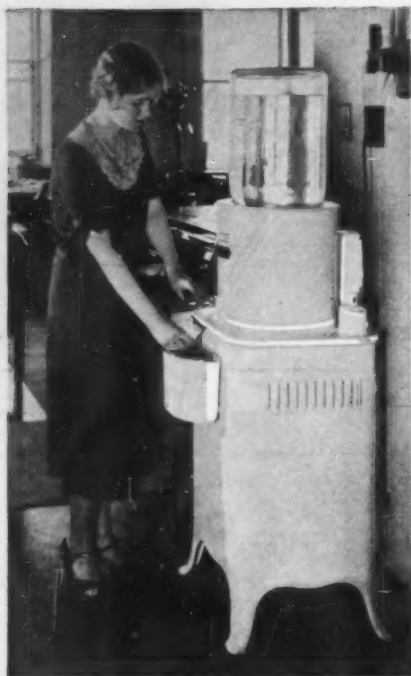
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in the production of neater
and more accurate records

Simple operation with many automatic features ... the posting of ledger, statement and full width journal (or any other combination of records) at one time ... the fast, easily operated keyboard in a position convenient to the operator ... all make for greater speed and ease in the production of neater, more accurate records with the Burroughs Typewriter Bookkeeping Machine. It is built for handling such jobs as accounts

receivable or payable, general ledger, distribution, payroll, stock records and similar work. It is available in a variety of models to meet individual requirements ... and for distribution to any number of classifications up to twenty.

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GENERAL ELECTRIC
WATER COOLER
 is a profitable
 investment
 — *because*

—it saves you money. Current costs but a few cents a day.

—it saves time and footsteps—is so compact and attractive that convenient placement is both possible and desired.

—properly cooled water increases health, pep, efficiency, productivity.

—its dependable, sealed-in-steel mechanism never even requires oiling or attention.

—it has a complete 3-year guarantee based on outstanding performance.

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**GENERAL
 ELECTRIC**
WATER COOLERS

Commercial, Domestic and Apartment House
 Refrigerators, and Milk Coolers

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otherwise, need to be considered with reference to the fact that in the progress of the 21 months some of the totals or aggregates of measures of volume have become attenuated to a point where gains over last year are certain to be shown. Then, too, the matter of commodity price declines in the same period as affecting financial volume must be allowed for. This column has repeatedly said that some industries—for instance the three leading textiles, woolen, silk and cotton and, in addition, footwear—had done better relatively than others, particularly the heavier industries such as building, coal, copper, pig iron and steel. Reflection of mass movements in the latter as a whole may be had more immediately in the second grouping in the form of carloadings and railway earnings. Recently the petroleum industry and its by-product, gasoline, have shown up better, as have automobiles and rubber.

Cement, an important element in the country-wide road construction, has been a rather disappointing factor until lately but rubber manufacturing seems to have shown smaller decreases than has its close relative, the automobile.

In the financial and other measures of movement there seems a marked difference as between chain and mail-order and department-store sales. The latter do make as good a showing although both of them no doubt have borne the like burden of reduced prices.

No decided trends

EXPORT and import trade do not show much if any encouraging trend despite the larger volume of cotton and wheat exports noticeable in May. Failures have been on a descending scale as regards decreases from a year ago, throughout the second quarter. Bank clearings have made a rather negative showing. By and large the statement is probably correct that lessening percentages of decreases have been most marked in lines catering to the public needs for food and wearing apparel while the sag in the decreases of electrical output bear out the statements of some men in that industry that household use of this element has been fairly constant and sufficient to offset its temporarily reduced use as an industrial motive power.

Not all of the events of the month have been favorable. Iron and steel buying slumped off further and in the July Fourth week capacity dropped to 38 per cent as against 57 in the late winter peak and 75 last year with a possibility

that the 30 per cent capacity of last December might be reached again. A dull July but a later pick-up of some of the lost trade is expected by trade authorities.

The automobile output for June was closely repressed and July is expected to see the year's low water mark approximated although a number of makes are being distributed in excess of a year ago. Failures in June were the fewest since November, 1929, and below the year before for the first time since January, 1930.

Building has been slack

THE employment situation has certainly not gained much among the leading industries. Building with its kindred lines has been slacker than expected and the leading labor organization lays part of the blame for the smaller number of dwellings being erected on the necessity of "doubling up" to save expenses. The employment index, according to the Bureau of Labor, dropped to 74.1 as of May and pay rolls to 66.6 of the 1926 average as against 87.7 and 87.6 per cent respectively in May last year and 99.2 and 104.8 respectively in 1929. Lumber with 54.6 per cent of employed in May as against 73.2 a year ago seems the poorest general line, with stone, clay and glass and land vehicles following. In addition, the Bureau of Labor has given figures of wage reductions affecting 45,000 to 50,000 for some months past.

Strikes seem to have come to the fore a little, the principal one being of bituminous miners in western Pennsylvania and eastern Ohio where 6,000 to 8,000 men are out and prices have been stiffened thereby. Hosiery makers in some number have also been idle for the same cause in Philadelphia.

Cotton and cotton cloth were active in June with a decline to the middle of the month and an equally sharp rise in the last ten days with cloths rather lagging behind the raw material which dropped from 8.55 early to 8.25, the lowest of the year, in the first third of the month but rose 2 cents or 20 per cent from June 9 to June 20 when it reached 10.40 cents. In early June it showed a drop of nearly 50 per cent from a year ago; by the end of the month it was only half that proportion off.

Cotton export trade has made great advances, a deficit of 500,000 bales at one time turning into a gain at the end of May with the value of exports in May slightly exceeding the like month a year ago. Cotton cloths, dull and weak

MAN, OH MAN, WHAT A BUNCH OF RECORDS!AND WHAT RECORDS!

(First Cost) ÷ (Years of Service) = (what pipe costs you).
Reading Pipe is *low cost* pipe. Look at these—just a few of the thousands of Puddled Iron Pipe records which prove that Reading Puddled Iron Pipe will cut down your costs year after year by giving you *uninterrupted* pipe service. There's only *one sure* way of getting such service—by looking for the Reading *indented* spiral on every length of pipe you buy, specify or install.

70 Years Young—

And Going Strong!

Since 1861, a Reading Puddled Iron Aqueduct over the Harlem River has been carrying clear, sparkling water! When the bridge was modernized in 1927, the pipe, still perfect, was put back in place!

Buried 30 Years—

Ready for Another 30!

Nobody knows how long the 2" Reading Puddled Iron pipe line of the Danville State Hospital (Danville, Pa.) is going to last! Buried for 30 years, the pipe was still good when the hospital decided to extend the line—so they just joined the extension to the old pipe.

Half a Century? Just an Incident!

For 50 years, Rufus Yost, Reading, Pa., has enjoyed clear spring water from a line of 1½" Reading Puddled Iron Pipe. The line is still in use—of course!

40 Years in an Ice Plant!

If a flood hadn't destroyed the plant of the Enterprise Ice and Coal Company, Harrison, Tenn., the 40-year-old Reading Puddled Iron Pipe it was using would still be in its service. The pipe's still good . . . even though the plant is gone!

Down in Birmingham, Too

Thirty years of service haven't aged a line of 15" Reading Puddled Iron Pipe, owned by the Birmingham Electric Co., Birmingham, Alabama. Another 20" line used for conveying steam since 1900, is still in excellent condition!

58 Years to Date—

Good for Many More!

Spring Valley Water Company, serving the city of San Francisco, had 58 years of uninterrupted service with its 30" Reading Puddled Iron water main. After cleaning the pipe, the water company found it still serviceable.

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Like a trusted workman who is always at the right spot at the right time, but having the strength and reach of hundreds of men, Industrial Brownhoist crawler and locomotive cranes are the best way of reducing handling costs and time on construction work.

Incoming steel, aggregates and other materials are unloaded by the Industrial Brownhoist at the siding and from that time on the crane works in, around and all over the job until the last foot of material is placed. A crane is the only machine which will do all of this work and Industrial Brownhoist is the only builder making a complete line of cranes for this service.

Today, when you go out on the job, ask your men whether an Industrial Brownhoist crane wouldn't be the most useful piece of equipment you could get them. And, bear in mind, too, that lower handling costs make possible lower bids and more work at a profit.

Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio
District Offices: New York, Philadelphia, Pittsburgh, Detroit, Chicago, San Francisco, New Orleans

INDUSTRIAL BROWNHOIST

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This twenty-ton gas crawler crane is equipped with an 80-foot boom for high erection service. The machine is also convertible to a shovel.

Industrial Brownhoist locomotive cranes are built in capacities ranging from ten to two hundred tons.

until mid-June, steadied and showed gains of $\frac{1}{8}$ to 1.4 cent on numerous makes.

With what is said to be the strongest statistical position in May for ten years past, petroleum prices were low. Perhaps the reverse of this is another way to state the situation. That is that the lowest prices in ten years have made for the strongest statistical position in that time. Certainly the feeling in that industry has seemed to be rather more cheerful than for a long time.

June returns of chain, mail-order and department-store sales show that gains in volume of distribution hitherto noted are in some directions beginning to be duplicated in values. Thus chain-store sales for June show a gain of 3.5 per cent over June a year ago while the three largest mail-order houses report a decrease of 10.4 per cent. The latter seems fairly chargeable to the low prices obtained for farm produce in areas where mail-order concerns' customers are still probably most numerous.

The two classes of stores combined show a decrease from June last year of 2.5 per cent. It is important to note that June this year covered 26 days as against 25 days a year ago but against this it may be pointed out that the gain of 3.5 per cent in chain-store sales in June is almost equal to the 3 to 4 per cent gain involved in selling time so that any further gains in chain sales, which seem sure to come by the way, are likely to enable the business world to see an absolute gain over a year ago in value as well as in volume in the totals of this branch of final distribution. For the half year chain stores show a fraction of four-tenths of one per cent gain, mail-order houses an increase of 11.4 per cent and the two combined a decrease of 7.6 per cent.

Large world wheat crop

THERE is apparently no doubt that the United States will have a larger total wheat yield than a year ago but estimates generally are that yields will be smaller in the world at large. The puzzle in the picture is that the United States, an exporting country, has both a large yield and an unwieldy surplus so that the grain trade is reported bearish in its views as to prices. The Bureau of Agricultural Economics says a larger world carryover but a smaller new crop yield is indicated.

Nat. C. Murray, the Chicago statistician, suggests a world crop of 3,520,000,000 bushels against 3,917,000,000 which, plus carryover, would suggest a total supply of 4,190,000,000 against 4,365,000,000 bushels last year.

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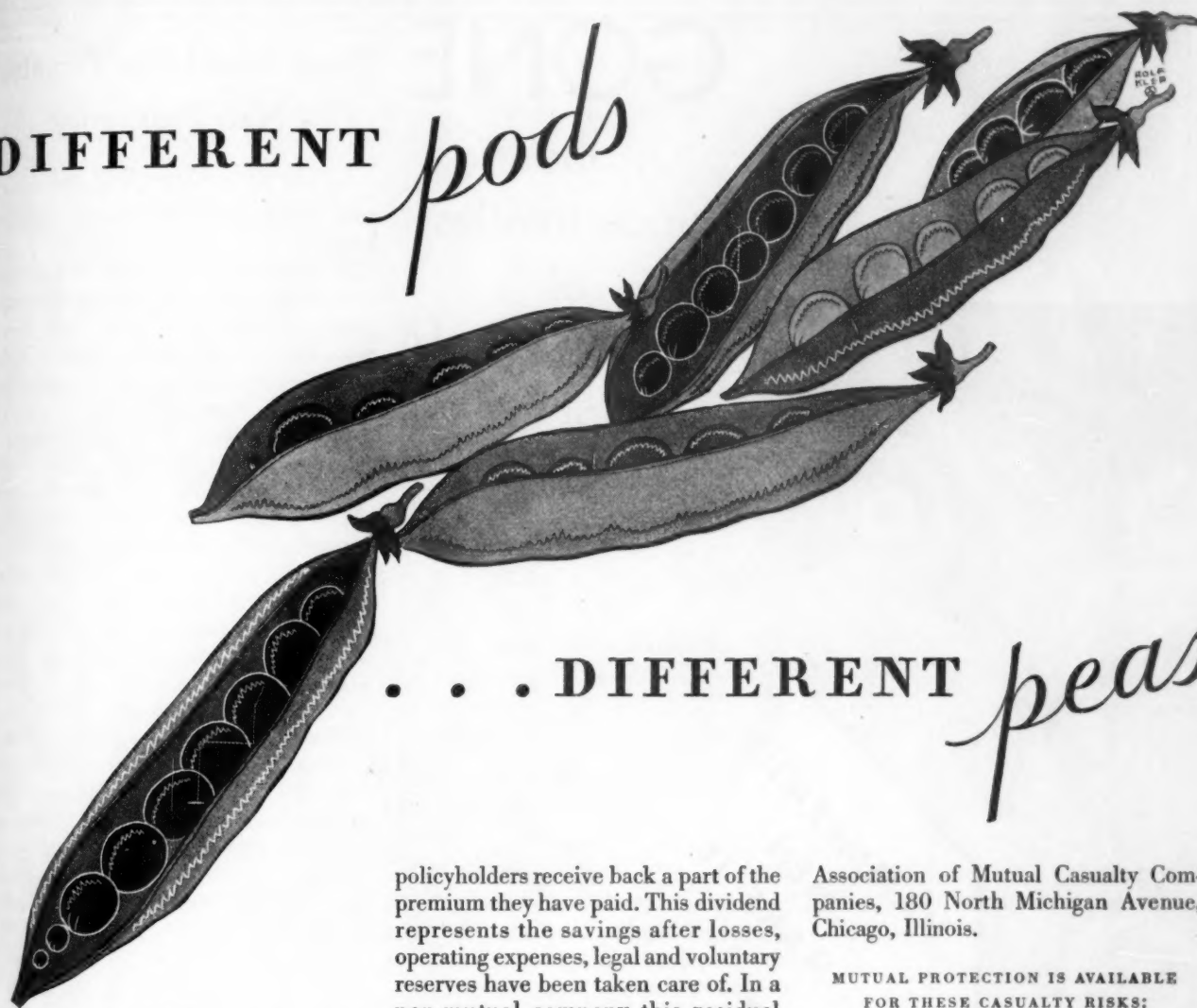
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TO YOUR OFFICE LETTERHEAD.

These New Ideas Promise a New Prosperity

(Continued from page 20)

gine rooms, only the change makers know.

So many and varied are the new applications of electricity that only a suggestive catalog is possible here—gyroscopes that will hold a 450-foot ship within a maximum roll of two degrees; a floating public utility plant with a generating power of 20,000 kilowatts; electric towboats operated by remote control; typewriting by radio; lumber grade-marked with electric branding irons; auditorium light effects controlled with organ type consol switchboards; night games of tennis, baseball, golf and football played under floodlights; use of the cathode ray to detect synthetic sapphires; electric gauges that reveal measurements down to one-one hundredth-thousandth of an inch; miniature "movies" that reproduce stage presentations in theater smoking rooms; a facsimile machine capable of transmitting the contents of a newspaper hundreds of miles in a few minutes; a pipeless, reedless electrical organ with standard keyboard.

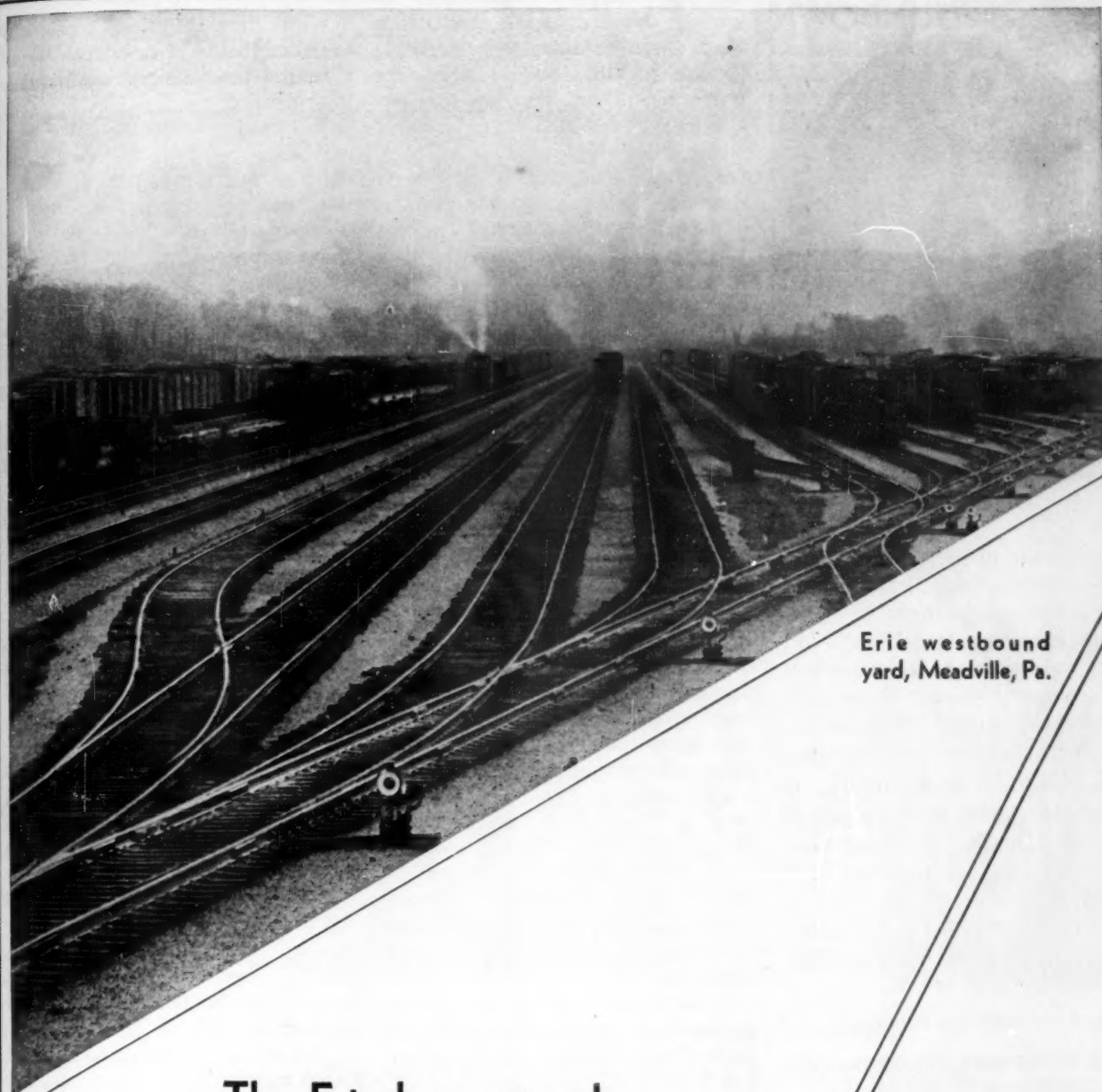
Ever watchful eyes

IN THE old crime tales, a good detective was said to be Argus eyed. Nowadays, the compliment would rate him as watchful as a photo-electric cell. The photo-electric cell is hypersensitive to light.

Any interruption of a beam focused on it will cause control devices to come to life setting off alarms, flashing signs, and doing other chores. Other regular jobs credited to the photo-electric cell are smoke detection, counting sheets of paper and red hot ingots, turning on traffic lights, inspecting paper napkins, analyzing colors, recording visitors as they enter buildings, counting vehicles, and detecting paper breaks on high-speed printing presses.

The electron tube brings the third revolution to the electrical industry, says O. H. Caldwell, editor of *Electronics*. As he views its future, it will enable transmission of from three to six times more power over existing high tension lines and additions of millions of dollars to plant value.

From the Bell Telephone Laboratories have come many of the devices which



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are in daily view of the telephone user. Moreover, telephone engineers, by inventing more elaborate mechanisms which the public seldom sees, have made possible multiple channel wires, the translation of dial impulses into mechanical voice calls, switchboards that "think," long distance repeaters, buzzless conversations, radio telephony and trans-oceanic oral communication. One of the most recent contributions, still on laboratory scale, is two-way television, whereby it is possible to see as well as hear the person on the other end of the wire. By-products of telephone research include sound pictures, television broadcasting, picture transmission by wire, the artificial larynx, and devices for the deaf.

New things everywhere

NOVELTY crowds on novelty so fast that loose-leaf minds are needed as much as loose-leaf records—turbines driven by mercury vapor; golf club heads molded from Army duck; a "mechanical" man that responds to spoken commands; mechanical corn pickers, cotton pickers, and sugar cane harvesters; illuminated revolving card "ads" in taxis; a four-sided safety razor; a noiseless street car wheel; a piano that plays 40 band instruments; soap in "beads" and "snowflakes"; a new gypsum cement marketed under the name of "Hydrocal"; shoes with cemented soles; a "hydraulic auger" that tunnels pipeways and conduits without disturbing top soil, sidewalks or street pavements.

Invention on invention was proudly displayed at the International Patent Exposition in Chicago's great Merchandise Mart.

Wave on wave of new ideas surged toward the public consciousness. But even in this sea of change and competition it is still possible to give thought to the unremembered benefactors whose works go marching on.

Who rubberized the click of the subway turnstiles? Who improved the early vintage of liquid soap? Who invented the book match, the rubber heel, the collapsible tube for shaving creams and dentifrices? Who contrived the paper cup for sodas and soft drinks? Who fashioned the hookless fastener, pajamas, the union suit, the one piece bathing suit?

Forgotten benefactor

BEVERLY Smith, a newspaper columnist, once asked why there are no memorials to the unknown saints we all forget—"The benefactors whose influence

upon the history and happiness of mankind can scarcely be guessed at."

Where there is so much consecration to the incubation of new ideas, there is a natural emphasis on resourcefulness in application.

The classic story of the sixth derrick provides a parable in point. Skinner & Sherman, Inc., Boston specialists in business chemistry, make it a business text. It relates to the new Lindbergh Beacon atop the 39-story Palmolive Building in Chicago.

The steel and aluminum tower that supports the reflector is 75-feet high. How to get the girders to the roof? A husky derrick would do the job, but how get it up?

Now, derricks come in sizes, and some mind began to think progressively. First, a small derrick was disassembled and taken up in an elevator. Then it was put together and used to haul up the parts of a larger derrick. This, in turn, hoisted a third derrick to the roof, part by part. And so on.

The sixth derrick thus raised proved strong enough to lift the structural steel for the tower.

In such wise the problems of change and progress are solved.

Little by little gains are made. First, operations on an experimental scale. Ultimately the idea is nurtured to competitive stature and market cultivation is begun.

In a country where change is the rule, individualism takes its place in a productive collectivism. This prodigious striving toward improvement of the common good has not lacked for understanding observation.

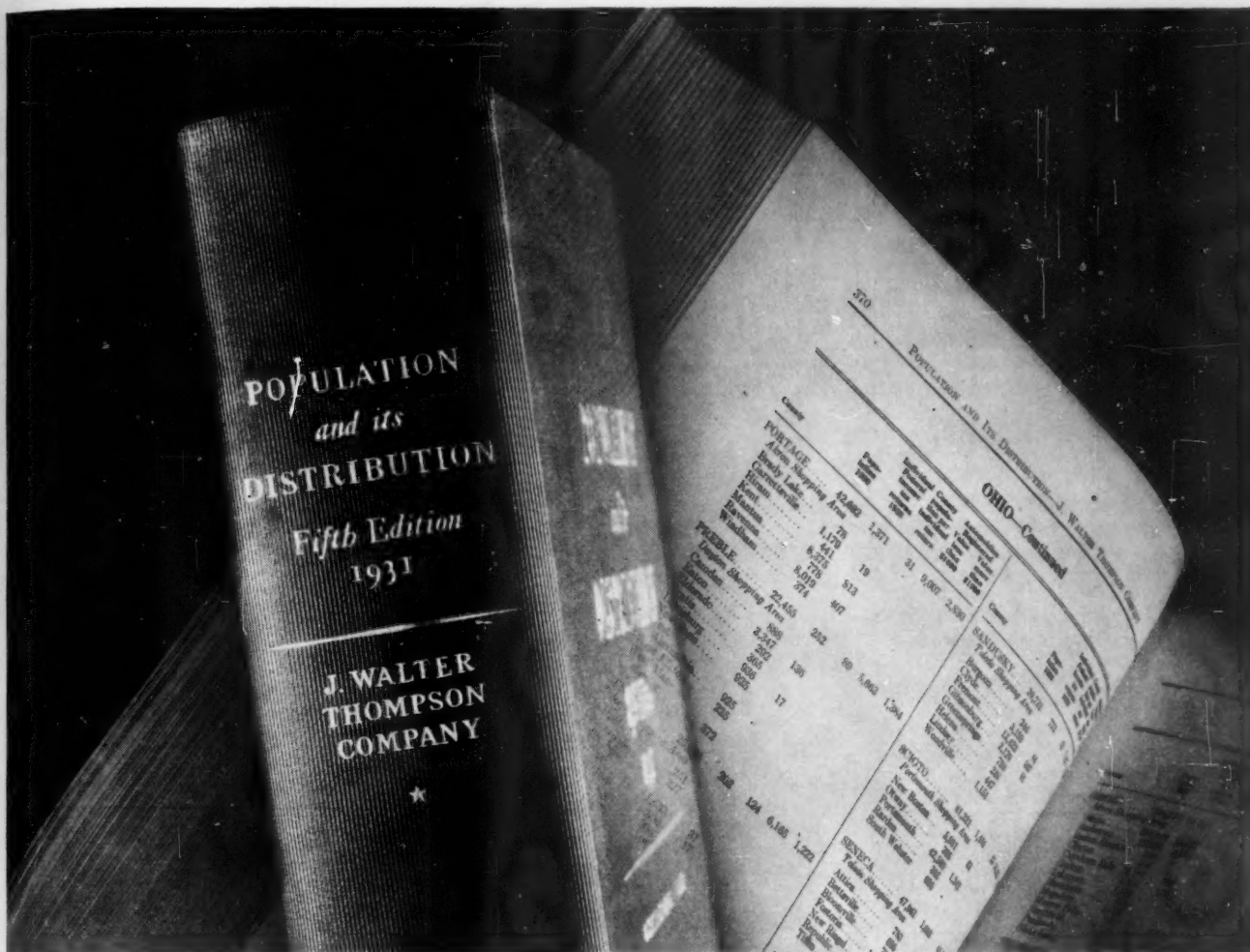
"It is neither German corporatism nor French individualism," said Henry Berenger, French ambassador. "It is the deliberate and voluntary subordination to the enterprise, to the industry, to the city, to the state, to the Republic in which it is realized, that it is better for all efforts to converge to one end, rather than to be left in disorder. But this does not amount to routine, for no one is less a lover of routine than the collective body of Americans; on the contrary it is an incessant effort toward better standards for the community."

The American standard of living is not explainable by natural law, like a temperate climate. It is something to be sought, to be worked for, to be won. Better food, better clothes, better houses, more leisure, better ways of living and of doing are realities because of the genius of our change makers. It is their high purpose to see to it that the American standard of living is the standard of the world.

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SINCE LAST WE MET

A Business Record June 11 to July 10

JUNE

11 • A. H. WIGGIN, of Chase National; David K. E. Bruce, a son-in-law of Andrew Mellon; and Cornelius Vanderbilt among new directors of Fox Film.

IN REFINANCING English Woolworth stores, American five-and-ten gains \$78,000,000 in surplus and \$27,000,000 in cash.

SAMUEL R. McKELVIE resigns from Farm Board.

14 • J. C. PENNEY COMPANY announces lower retail prices on cotton, silk, rayon and wool merchandise. Down 34.9 per cent from July, 1929 levels.

PASSPORTS decrease by 50,000 for first time in 8 years, says State Department.

15 • REICHSBANK raises rate to 7 per cent to stop gold drain.

I. T. & T. to get controlling interest in Ericsson Company, Swedish telephone concern. Ivar Kreuger to become an I. T. & T. director, rumor says.

16 • GOLD credit of \$41,680,000 set up in New York for Germany.

DROUGHT in northwest more serious than in 1930. Crop losses likely to be enormous, Department of Agriculture told.

17 • MEXICAN Petroleum Company, recently a large dividend payer, passes regular \$3 quarterly.

CRUDE oil daily output off 11,350 barrels for week of June 13.

RAILROADS ask I. C. C. for 15 per cent horizontal freight rate increase.

NUMBER of stockholders increases almost 25 per cent during 1930, Standard Statistics finds. In spite of depression, or because of it?

18 • ALL GOVERNMENT departments except White House, Navy and Interior increased operating costs for first 11 months, Treasury figures show.

NET RAIL income of class I roads drops \$92,550,000 in four months.

COPPER offered at 8 cents, with practically none being sold.

MAY EXPORTS of \$205,000,000 smallest since October, 1914, when they totaled \$194,700,000.

19 • ALL WHEAT deliveries reach season's lows at Chicago.

FRAZIER JELKE AND CO. estimate investors' income losses at \$426,210,000 since January 1, resulting from dividend cuts and omissions.

WHOLESALE commodity prices down $2\frac{3}{4}$ per cent in May, Bureau of Labor Statistics finds.

HOOVER takes initiative in asking for concessions on reparations and halt in payments of interest as aid to Germany for year.

REICHSBANK reserve at legal minimum as funds flow out.

20 • BANK clearings for week off 29 per cent in 22 principal cities over same week last year.

DETAILS of reparations moratorium proposal issued in White House statement. Stocks in broad, brisk rally on release of good news.

CRUDE and gasoline prices raised in West.

22 • FEDERAL Trade Commission reports to Congress that it is opposed to legislation permitting resale price maintenance.

FOUR of New York's largest savings banks lower interest rate from 4 to $3\frac{1}{2}$ per cent.

BERLIN accepts Hoover plan. London pleased.

23 • STOCK and commodity prices jump in entire world on debt optimism. Billions added to values.

RETAIL sales volume placed at 53 billions by Census Bureau.

COPPER up to 8.775; market shows strength and activity.

PENNSYLVANIA RAILROAD dividend cut; Baltimore & Ohio holds to present rate.

CIGARETTE wholesale prices of popular brands increased 45 cents per 1000.

25 • CARLOADINGS for second week in June decrease sharply to 732,453; index at low mark for post-war period.

26 • EXPORTS for first quarter lowest since War, and 37 per cent under the same period in 1930.

5,300,000 unemployed, Labor Federation President Green estimates.

BANK clearing figures again show decline for week; 35.2 under same week of last year.

28 • COST of living for the average wage earner at low for past twelve years, National Industrial Conference Board finds.

29 • COFFEE and silk imports set new high marks for first quarter.

30 • CANADIAN tariff on magazines to be deferred by Canada.

JULY

1 • KANSAS farmers with prospect of fine wheat crop worried over probability of 10 to 15 cent loss on every bushel.

FARM BOARD sets sale limit of 5,000,000 bushels monthly. June delivery wheat jumps 8 cents per bushel.

OIL IMPORT cut to be continued.

2 • CITY OF BALTIMORE makes first sailing of new direct passenger and freight service to France and Germany.

3 • WHEAT pools go into voluntary liquidation, Ottawa announces, because of lack of credit.

BETHLEHEM STEEL bonus system modified.

U. S. BONDS being bought heavily by Reserve banks, indicating changing policy.

6 • TWELVE billions to be refunded in 1932, Treasury plans for fiscal year.

WORLD output of sugar this season up 1,095,000 tons to 31,654,000.

155 **BUSINESS** paper editors see probable improvement in business soon, says S. K. Dennis, head of the National Conference of Business paper editors.

STALIN comes out for wages according to ability, a six-day week, and individual responsibility of workers and directors.

WITH acceptance by France, Hoover moratorium now favored by all important creditor nations.

FARM BOARD stands firm on decision to dispose of wheat holdings at rate of 5,000,000 bushels monthly.

7 • NEW YORK Stock Exchange issues up nearly five billion in June.

10 • SAFEWAY and MacMarr grocery and meat stores vote to merge, forming the second largest food chain.

FARM BOARD refuses Amtorg bid for 250,000 bales of cotton.

WHAT I'VE BEEN READING

By WILLIAM FEATHER

President, the William Feather Company, Cleveland, Printers and Publishers

J A. HOBSON, noted British economist, agrees with George E. Roberts, vice president of the National City Bank of New York, that "the continuance of prosperity depends upon an equitable distribution of it."

This statement of Mr. Roberts has appeared for several years as a subhead of a department of news in *Commerce and Finance*, published in New York by Theodore H. Price.

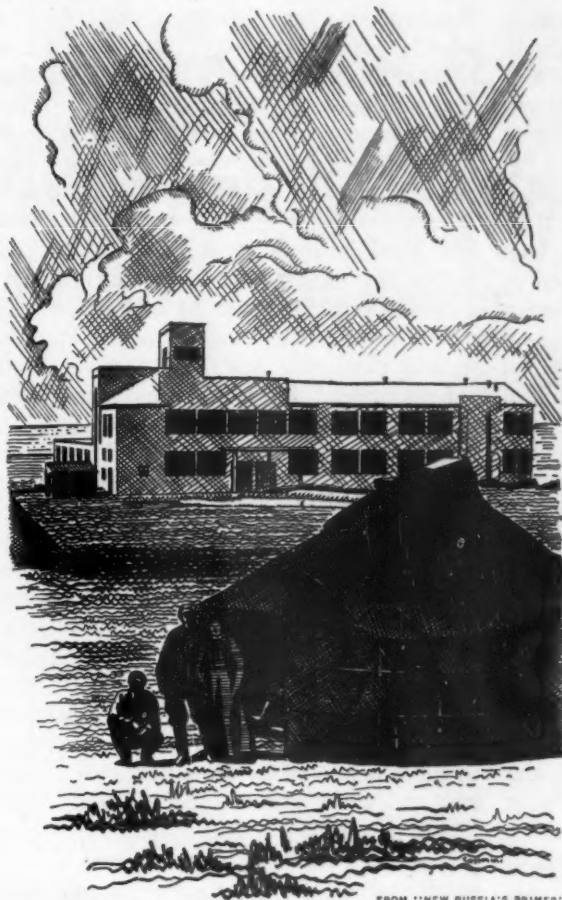
In a book of modest size,¹ Hobson conducts a search for the fundamental cause of this depression. He thinks it lies in a lack of purchasing power, induced by the inequitable distribution of income. The owners of capital and the beneficiaries of rents collect a disproportionate share of the national income which so far exceeds their individual necessities that they divert it to the creation of additional productive facilities.

This leads to excess capacity, which is followed by overproduction, collapse of the market, and disappearance of profits.

With a balanced division of income, society would always be able to buy as much as it can produce. The trouble now is that a few get too much and the many too little. All would prosper better under a more equitable division.

Hobson suggests two ways to accomplish his aim. One way would involve legislation which would include higher taxation of profits, rents and incomes, the proceeds to be used for improvement of governmental services, such as old-age pensions, unemployment insurance, health insurance, education,

¹*Rationalization and Unemployment* by J. A. Hobson. The Macmillan Company, New York. \$1.75.



In the Kalmik region, in the middle of the naked steppe, grow buildings of steel and concrete alongside the tents of the nomads

better housing, etc. Legislation compelling shorter hours, minimum wages, and higher minimum working ages also would be helpful.

Enlightened selfishness suggests that business men themselves may cooperate in the promotion of a better deal for the masses. In fact, in America our leaders have already gone a long way in the development of such a program. Probably never before in the history of the world has so much consideration been shown for the living standards of the workers. Not a day passes that the newspapers in editorial and news do not emphasize the necessity of maintaining the purchasing power of the

people. I do not pretend to know what is behind all the trouble the world is compelled to endure, but I do believe that the majority of business men are in a mood to make any reasonably practical concessions that promise to avoid a recurrence of a disaster like that which now plagues mankind.

NEW Russia's Primer,² written to explain the industrial aspects of the Five-Year Plan to Russia's school children, is so beautifully conceived and brilliantly written that it has become a choice textbook for adults of the western world. I have long held the theory that every author should aim to make his subject intelligible to school children. Simplicity that does not stoop to "cutey" writing is never offensive to intelligent people. In fact, intelligent simplicity is the essence of charm, and that is exactly what this book has.

It is worth reading, even if one dislikes the mention of Russia, because it is a vivid, concrete presentation of modern industry as it exists today in the United States and as the *Soviets* hope it will exist in Russia in 15 or 20 years.

Americans can take great pride in the indirect tribute that is paid to our industrial organization by the author. Working under a system which the Russians despise, we have created an industrial order that is their ideal and envy. Economically we have given our people a standard of living which they

²*New Russia's Primer* by M. Ilin, translated by George S. Counts and Nucia P. Lodge. Houghton Mifflin Company, Boston. \$1.75.

insist is inadequate, but which is so far above anything they have approached or probably will approach in a generation—a debatable question—that, though we may sympathize with their ambitions we must be amused by their naiveté.

Few in America are awake to the gigantic achievements of our business men, aided by engineers, chemists, and scientists. Studiedly, our critics have affected a superiority to the conquests of Big Business. Now they have the spectacle of the foremost radicals in the world feverishly working to duplicate our machine civilization, and telling their people that through machinery they shall achieve earthly salvation. It is funny.

Personally, I hope the Russians succeed beyond their expectations in their industrial and economic program. I do not see how poverty and starvation in one part of the world help any other part. Prosperity elsewhere will help prosperity here. If the Russian system can give the masses a higher standard of living and greater economic security than our people have known under our system, we shall be fortunate in having had the way to Utopia shown to us.

Unfortunately, because I am in middle-life or because I lack faith in human nature in expressing itself except in terms of self-interest, I see no hope of success in Russia, except as she concedes more and more to capitalism. Twenty years from now I anticipate that Russia will be in about the same relative position economically compared with our country that she is today, and that what progress she will have made will be the consequence of embracing the tenets of capitalism and shedding socialism.

Meanwhile, let us work as hard as we can to improve our own system. If we can improve as fast in the next 20 years as we did in the last 20, neither Russia nor any other country will close the gap that separates us today.

Before concluding this comment on the Primer, I cannot resist referring to the story of Mr. Fox which is told so amusingly and ironically by the author. Mr. Fox had a million dollars. As an investment, he decided to build a hat factory. At the same time the idea occurred to Mr. Box, Mr. Crox, and Mr. Nox. They all built hat factories, with the inevitable overproduction, loss of money, strikes, bankruptcy, unemployment.

The Russians expect to correct this evil, which must seem a silly performance, even to a child. One wonders, however, whether the Russians will be satisfied to wear just one style of hat.

Will the women be satisfied with even five styles? Who will design the hats? What will be done with the style which nobody wants? Suppose the Russians, like our college boys, decide to wear no hats? Will the hat factories keep on working in order to insure employment? Oh well, why argue about it!

THE latest book about Henry Ford³ doesn't say much about Ford himself. It tells about his factory and his methods. It tells about what he has done, and not what he plans to do.

What this man has done and is doing is as exciting as anything that is happening anywhere in the world, even in Russia. New Russia's Primer tells about Russia's plans for her industrial future. What the outcome will be, none can say. The Ford business, by contrast, is a reality. It is paying good wages, making a useful product which is sold at a modest price, and earning big money. It is daily pioneering new fields.

I recommend this book to any young man who doubts that business is a lively adventure. The author has given a new twist to the Ford theme. Each chapter is a textbook on some phase of modern industry. "The Broom in Industry" which tells how the Ford plant fights dirt is an example of brilliant writing.

LORD NORTHCLIFFE was one of the great men of our times. To read of him as he is presented by Hamilton Fyfe,⁴ long a fellow-worker and personal friend, is to live temporarily in the presence of a thrilling personality and a notable genius. The Northcliffe that appears in this biography is flesh and blood. He is not a legend.

At 23, following a boyhood in which he lived a life common to youths of middle-class homes, Northcliffe entered the publishing business. The name of his first venture was *Answers*. It was an immediate success. At 31, he was the owner of newspapers which exceeded in circulation any others in Britain. In eight years he had built up an organization which was earning vast profits.

Fyfe says that if Northcliffe had had a hard boyhood, with a bitter fight against poverty, he probably would have stopped at this point. He would have been burned out. But his energy had merely been tapped and his imagination had just begun to soar. He did not build fences to protect what he had acquired. He never feared the future. He had confidence in his ability to succeed under any economic order.

His fearlessness, indifference to money, contempt of stuffiness, and his sense of humor were the important factors in the charm that made a stronger personal appeal to Americans than to Englishmen. His own countrymen never quite understood him, but he got along famously on this side of the Atlantic.

Fyfe was with Northcliffe in 1917 when his chief was here as head of the British War Mission. This was one of the happiest periods in Northcliffe's life. Flattery was pumped into him in such a stream that he never recovered. Although in England it was said in 1916 that Lord Northcliffe was the most powerful man in the country, the statement did not get into print. Northcliffe was not the type of publisher who boomed himself in his own newspapers. Competing newspapers obviously did not feature his name.

But in America he was given the headlines. He had written headlines about others, but he had never seen headlines about himself. Fyfe says:

"His mind was influenced by the constant flow of compliment and flattery, of eulogy and panegyric to which he was compelled to listen. The consequence of those triumphal progresses in America, those luncheons and dinners and meetings at which speakers proclaim him everywhere the most powerful man in Britain is that he begins to believe this himself."

Following his return to England, Lord Northcliffe was never quite the same although he continued to serve his country well. His direction of the production of the avalanche of printed leaflets which were dropped over the German lines was masterful. He managed by this and less direct methods to break the spirit of the rank and file of the opposing armies. The enemy called him "Minister for the Destruction of German Confidence."

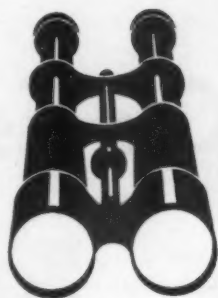
What Northcliffe really wanted from his country, according to Fyfe's conjecture, was the premiership. Lloyd George offered him the post of air minister which was so curtly refused that it led to a break.

Had he taken the job of air minister, it might likely have led later to the office of prime minister. When the possibility of winning the high office definitely faded, Northcliffe's ambition for himself received a jolt from which he never recovered.

³Ford: *Men and Methods* by Edwin P. Norwood. Doubleday, Doran & Company, Inc. \$2.

⁴Northcliffe by Hamilton Fyfe. The Macmillan Company, New York. \$4.

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publication in any field. All of Nation's Business subscribers pay in advance and 84% of them are definitely identified as business executives.

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NATION'S BUSINESS ★ Washington

No Business Can Escape Change

★ **INNOVATIONS** in business and industry crowd fast upon one another today, brought about by the press of competition, efforts to sustain old profits, and the intensified quest for sources of new ones. Today's race is to the swift, the discerning, and the vigilant

A **NEW** metal possessing unusual magnetic properties has just been developed. Said to be the most magnetic metal ever discovered, it is expected to save much money now wasted in transmitting electrical energy. . . .

COLORED bricks may brighten up homes of the future. Glazed building bricks are now available in lavender, yellow and pink. . . .

A **NEW** transparent cellophane adhesive tape which requires no moistening has been patented. It adheres instantly to any clean, dry surface. . . .

FRANKFURTS and sausages are losing their traditional shapes. A new mold turns out rectangular ones, the sausages linked eight to the pound. . . .

A **MICHIGAN** firm is introducing low-cost rabbit meat. The company slaughters some 4,000 pounds of rabbits daily. . . .

A **NEW** product, fish flour, may add from \$500,000 to \$1,500,000 to the value of the fisheries industry. Made from edible parts remaining from filleting, the new product is dried, then ground. . . .

A **NEW** chemical, ursolic acid, is being extracted from the wax-like coating of apple peels. It may have valuable uses in the paint and varnish industry. . . .

AN experimental plant for the extraction of bromide from sea water is projected near Wilmington, N. C. Ethylene dibromide, manufactured from the bromide, will wind up in our motor cars as antiknock compounds. . . .

A **PROCESS** for making copper harder than most common steels has been announced. No appreciable weight is added to the alloy; its electrical conductivity is reduced only about 30 per cent. . . .



Washington farmers are clearing land with vacuum cleaners, reversed. Tubes form blow torches, fan fires that consume stump, roots, save time, money

SEPARATE machining and polishing of steel spring leaves increase the strength of the complete spring assembly from 20 to 50 per cent, British government researchers say. . . .

A **NEW** gasoline, designed especially for aircraft use, burns as slowly as fuel oil yet is said to furnish the same power as standard gasoline. It reduces fire hazard. . . .

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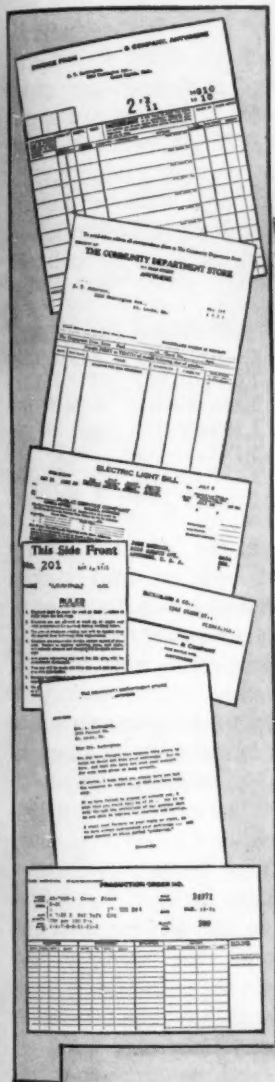
A **NEW** laboratory device accurately measures the tenderness and texture of certain canned fruits and vegetables. . . .

BOTTLED, concentrated liquid coffee is being marketed. Sold in an eight-ounce bottle, it requires only the addition of hot water to provide some 20 cups. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—Material for this department is gathered from business and scientific publications, announcements from individual industries, bulletins from research institutions and from personal interviews. Further information upon any of the subjects mentioned will be furnished readers upon request.

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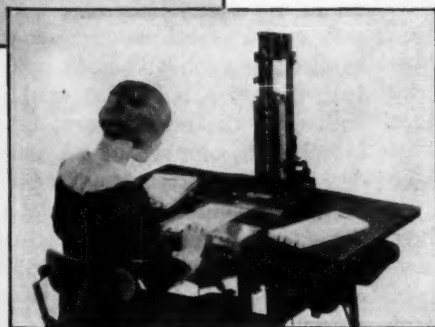
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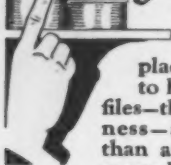
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This Addressograph is the new, low-priced, all purpose electric model, which mechanically transcribes fundamental business records at high speed. There are also hand operated models and super-speed automatic models from \$42.50 to \$12,000

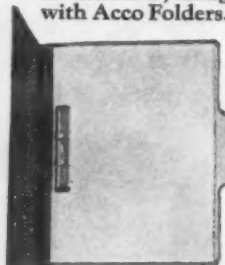


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Acco Folders are made of trim, durable press board, with cloth expansion to accommodate 1" and 2" volume of paper. They last as long as a steel cabinet. Every folder contains an Acco Fastener that binds papers in tightly and compactly because of compression exerted by a patented lock compressor



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Fifty dollars per month or more guaranteed income to your family, if you are not here to give them your personal support, until your youngest child has passed the dependent years, is now possible to holders of standard John Hancock policies, subject to company regulations.

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N. B.

Over Sixty-Eight Years in Business

Bureaucracy and Farm Banking

(Continued from page 47)

first charged the cost of obtaining new business to the surplus so created and then took out of the balance an amount equal to 25 per cent of the earnings to be transferred to reserve. On behalf of the Farm Loan Board it was testified at the trial that this considerable sum should be charged in this case to the operating income of the bank.

In such ways as these the Farm Loan Board attempted to show that the bank had actually paid out since organization about \$60,000 more in dividends than it had earned.

The jury found Mr. Huston guilty, and the court sentenced him to nine years in prison. In the fall of 1929, however, the Federal Court of Appeals reversed the judgment of the lower court, saying in part:

Applying these rules to the evidence in the case at bar, we are of the opinion that the alleged fraudulent scheme and the alleged false representations are without substantial support in the record, and that the items of evidence pointed out by the Government as supporting the indictment are as consistent with the innocence of the defendants as with guilt on their part, and that a verdict of not guilty should have been directed by the trial court.

There are details of this case, its preparation and presentation, which would be interesting, if there were room here for them, but the outlines in the case suffice to raise a question whether it was a persecution or a prosecution. The details would even include allegations that, toward the end of 1925, armed agents of a government department raided all banks with which Mr. Huston had been connected, apparently in search of evidence on any charge which could be directed against him. There have been more incidents recently, in connection with Mr. Huston's endeavor to regain control of the bank which he had organized and developed.

From the public point of view, these incidents would seem to give rise to several questions, and the one most in point in any study of the situation of the joint stock land banks relates to the effect of regulation of the kind implied by these occurrences upon the credit of these banks. Presumably it is a duty of the regulatory authority to support and foster these institutions in all proper ways, and to avoid any course of supervision which is calculated, not to pro-

tect investors and foster the system, but to break down its credit.

There is tangible evidence suggesting the effect on the joint stock banks of the weakening of their credit. From 1924 until 1927 they at least kept pace with the federal land banks in the yearly increase of their loans closed with the increase expressed as a percentage of the total loans closed to the end of the preceding period. This appears in Table II for dates at six-month periods.

The net mortgage loans outstanding at the end of each year, for the federal land banks and the joint stock banks, have been:

Dec. 31, 1924	\$927,567,598	\$446,429,454
" " 1925	1,005,684,817	545,559,200
" " 1926	1,007,818,727	632,475,529
" " 1927	1,155,643,871	609,476,970
" " 1928	1,193,845,558	605,199,049
" " 1929	1,197,281,545	584,197,225
" " 1930	1,187,438,688	552,616,563
Mar. 31, 1931	1,186,831,590	542,994,869

The events in the farm loan system still leave the question open whether our joint stock land banks are not better instruments for providing the American farmer with long-time credit than the federal land banks. When a farmer applies for a loan to the joint stock land bank, the decision is made by an executive who usually has his own capital in the institution. The answer is forthcoming within three or four days, if necessary. If the same farmer applies to a federal land bank, he must join a farm loan association and the machinery of cooperative credit must swing into action before he can receive an answer. It may be from one to six months before his loan is completed.

A congressional commission which studied European land credit systems in 1913 drafted a bill which would have authorized the establishment of small independent joint stock land banks under federal supervision. This bill contained no mention of federal land banks.

Federal land banks were the result of congressional hearings in 1913, 1914, and 1915. When legislation was finally enacted into law, in June, 1916, it included both systems.

There may be ample room for a joint stock land bank system operated by private enterprise and a federal land bank system under cooperative auspices and governmental guidance. What form regulation should take, however, is another question.

The Machine's New Threats to Music

By RAYMOND F. YATES

THE ARTS, as well as industry and trade, are feeling the effects of our modern machine age. Music and musicians, particularly, may well look to the future, for its developments hold strange things and new conditions for them

IT WAS but a few years ago that musicians smiled cynically when they listened to the strange noises coming from the loudspeakers of that time.

Today the musical robot has struck terror into the hearts of both trade and art, and sound physicists everywhere are confident that music as we understand it today is facing ugly doom.

The newer electronic methods are capable of producing any tone quality. Not only can present instruments be imitated but new tone qualities can be produced.

The composer of the future may invent new tones to please himself; he will be able to explore a superscale that will far exceed the limitations now imposed by ordinary instruments.

Dramatic and dynamic effects will be produced that are hopelessly beyond present means; soft, plaintive whispers may be worked up into thunderous crescendos by the mere waving of a hand.

Reproduction has been revolutionized by high-power amplification and the exponential and dynamic horns. Little wonder that musicians are worried over current developments. The recent perfection of a synchro-synthetic band cannot but bring tragedy to many who make their living through musical expression. In the immediate past, electrical reproduction has only threatened. Now the threat becomes a staggering reality.

By past means of reproduction, a single reproducing system was called upon to accommodate the wide range and

frequency involved in orchestras having as many as 125 instruments.

The physical and electrical limitations of such a system were such that it was impossible to attain the ultimate in realism. Electrically reproduced music remained but a poor substitute for the original article.

The synchro-synthetic electronic band, however, overcomes practically all objections to music of this kind. Through this new method, for the first time, music may be reproduced with such staggering fidelity that it is scarcely distinguishable from the original source.

Recording instruments separately

ENGINEERS have abandoned the old idea of attempting to force a multiplicity of tones through a single horn. The new electronic band calls for not only an independent method of recording for each instrument, but an independent system for reproduction as well. If the electronic band is to reproduce an orchestra of 25 pieces, 25 recording devices will be used and 25 reproducers;

that is 25 high-powered amplifiers and 25 horns.

The design of these horns and amplifiers is such as to accommodate perfectly the particular sound spectrum produced by the original instrument.

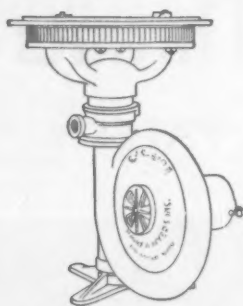
The problem of recording each instrument of the orchestra independently has been solved by a special studio with interconnecting microphones and headphones so each musician, in his own glass-fronted studio, may hear the combined effects of the whole orchestra and at the same time, receive capable direction.

This new development, of course, makes good music available at low cost. Today a jazz band of a dozen pieces may get a fee of from \$100 to \$2,000 a day, depending upon its reputation. With the synchro-synthetic band, the best orchestras could be reproduced at an operating cost of about \$10 a day for 12 pieces. The original cost of 12 reproducers would be somewhere in the neighborhood of \$2,000.

It is not difficult to understand the implications of this development should



This miniature electronic organ produces sound from oscillating thyatron tubes. Such an organ has already been used in the theater



We've motorized the Janitor

MARCHING across our testing tables today are endless ranks of sturdy little motors—a new breed of motor, specially built to janitor a new automatic gas heating unit that converts any furnace, large or small, into an economical gas-burner. And what a motor, what a furnace man it is! Automatically controlled, it mixes gas and air in money-saving proportions and maintains any predetermined house temperature, regardless of weather changes. It is so beautifully balanced that you need a stethoscope to hear it run—for motor “hum” has an annoying habit of booming through a heating system. So precisely made that it will perform all winter without attention—as it must in households where motors are still a thing of mystery. Six months ago such a motor didn't exist—but that was before the manufacturer brought his problem to Robbins & Myers.

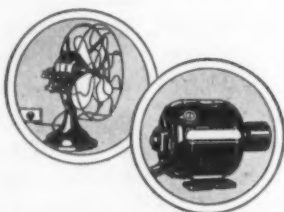
If you have a problem in electrical-motored machinery, come to Robbins & Myers. We offer you the facilities of a completely modern plant and the experience of 33 years' precision manufacture in designing, building and applying electric motors, generators, fans and electrical appliances.

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it come into general use in hotels, dance halls, theaters, auditoriums and summer resorts. It would embarrass not only the average musicians but also the manufacturers of musical instruments. On the other hand, it would bring about an increased demand for real artists. Recording fees would in all probability reach high figures.

Other new methods of making music are also being discovered. There is Prof. A. C. Hardy, of Cambridge, Mass., who with his electronic organ has brought the squeal of vacuum tubes under control. He imitates with radiant realism the master musical instrument, the pipe organ.

Only the other day one of the large electrical manufacturers installed an electronic organ in a motion-picture theater and thrilled the audience with sounds from oscillating thyatron tubes.

Then there is Dr. Frank Miller with his electronic piano and Professor Theremin with his trained vacuum-tube squealers which recently provided a concert at Carnegie Hall, New York. These tubes are now reproducing traditional music, but at the same time they are promising to bring about an entirely new method of expression.

Already the exponents of electronic music are calling for composers who can use these new scales, these new sounds and these new possibilities for the expression of tones and colors that lie beyond ordinary instruments. For the first time music is provided with the golden opportunity of sweeping through the entire spectrum of sound.

What great new sonorous adventures and inventions will be found in those unexplored regions, only time, experience and talent will tell. That the whole order of music is facing severe change is being admitted by impresarios and critics.

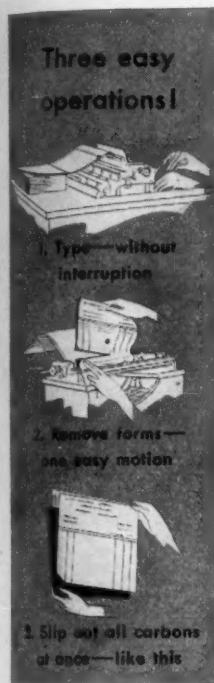
A new school of music—the music of the electron—is gradually but surely taking form. No human emotion capable of expression in musical form will lie beyond its range.

An Inventory at 40

EDWARD L. DOHENY, now a nabob of mining and a magnate in oil, counted up his total resources on his fortieth birthday. They amounted to exactly \$40—and the rich and varied experience which enabled him to go out and multiply his four “ten-spots” into many millions of dollars.—J. H.

This NEW WAY to type multi-copy forms

cuts record-writing costs 25 to 50 per cent

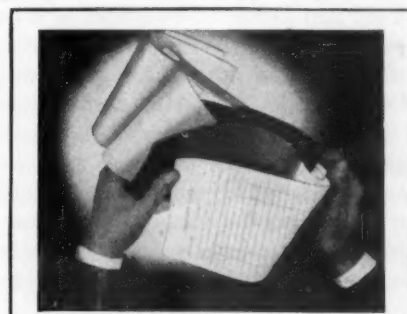


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Never, before the introduction of Rediform Interleaved Speed Stationery, was it possible to write multi-copy forms with these three operations: 1—Type; 2—Remove forms from machine; 3—Slip out carbons with one pull . . . then type the next set.

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Rediform Interleaved transforms this intermittent typing into continuous



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typing. Forms are in continuous lengths. Carbon paper is interleaved. As soon as one set of invoices, purchase orders (or any multi-copy form for which you wish to use it) is typed, the next set is in place. Users of Rediform Interleaved report saving as much as 50 per cent in time and clerical costs.

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N. B. 8-31

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Business Men Killed the Theater

By FRED E. DAYTON

ILLUSTRATIONS BY CHARLES DUNN

HERE is an answer to the question "What has happened to the theater?" Mr. Dayton says that business attempted to run theaters and killed them—that here was one place business methods would not work. Mr. Dayton says business men can't run theaters. Well, could you?

WHAT HAS happened to the theater, that grand institution of entertainment and education which, just a few years ago, seemed to be the most worth while of all pleasures? What influences combined to carry this great art down and down until it is almost out? What violent eruption has come to shake a great public out of its habit—for theater going was a habit indulged by young and old?

Now few persons know or care about the traditions of the stage or have veneration for the great names of dramatic history.

Who gave the dagger thrust to these vanishing Americans of the boards; these heavy men and leading women; these matinée idols, ingénues, comedians, character men and women, song and dance teams, vaudevillians? Business men—big business men, schemers and planners who outsmarted the easy-going impresarios of a former day and took the whole business for themselves only to find that it wasn't a business at all.

Business is business but the arts do not flourish under system and order if we may judge by what happened to the theater in America. Had business men kept out of the drama, it is conceivable that the theater might have suffered no eclipse. Let us consider some of the things that have contributed to this eclipse.

The first cinematograph projectors came to America in 1896. As novelty

photography of motion, they occasioned no fears for dramatic institutions. They were shown in Eden Musee in New York and in second-rate halls in other cities. As their novelty waned, interest was kept alive for a time by showing locally made pictures of home scenes. Then continuous vaudeville houses began to show motion pictures as chaser acts—designed to empty theaters quickly. Dropping the picture screen was a hat cue for theater patrons who were speedily on their way home, making room for a new audience.

Movie competition for theaters

THE introduction of French films with plots, and particularly pictures featuring "the chase" gave new life to the art but in those times such films were shown in nickelodeon "store shows." Then came the business men who built big, fine theaters with big seating capacity. Patrons revelled in garish grandeur in orchestra seats and were bodily comfortable at the top price of 50 cents. Physical discomfort killed the theater's

top gallery, family circle, balcony and dress circle, when one-third the price would buy the best seat in a movie palace, and loss of gallery and balcony patrons killed off the theater's recruits. The incubator for the theater-going habit folded up. When the gallery gods stayed away, theaters suffered much more than the loss of income.

There is a great lesson for business in the history of the stage in America in the past 25 years. More or less the same factors obtained in England and France.

It is now realized that the times are gone when the acting profession was Vagabondia; when there was risk of good troupers becoming stranded and walking back; when

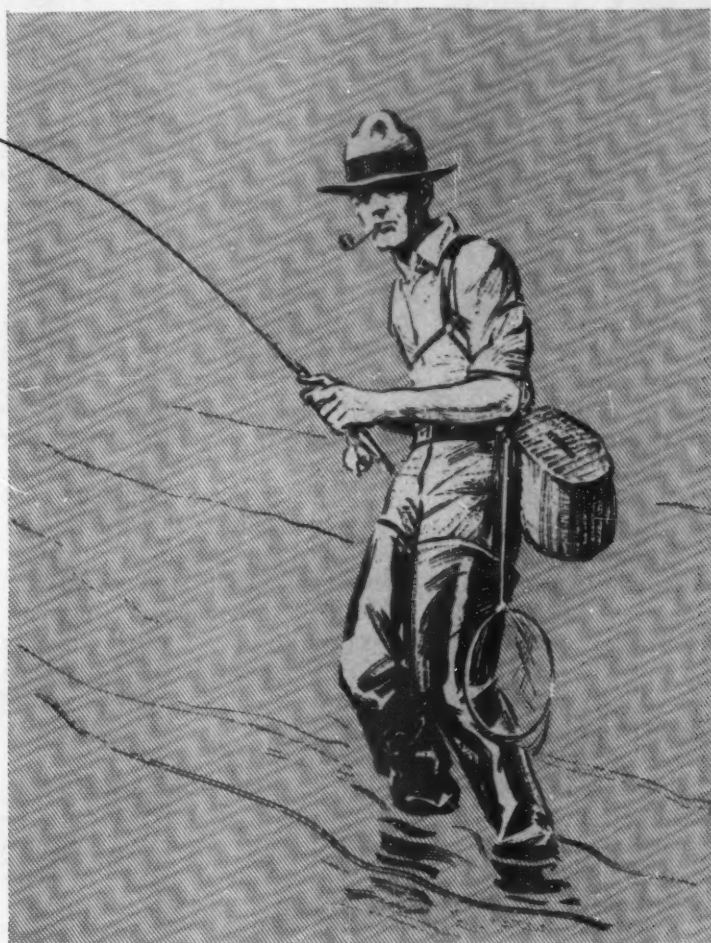
"a horse, a horse," the actor cries
"a horse, a horse,"
he walks the ties

made *La Boheme*—work and fun, and a fat or lean living as fortune favored.

Today there are splendid actors who have not worked in two or three years. Plays open and close in the same week—sometimes in the same night. First



Going to the theatre was once a habit, almost a rite, most worth while of all pleasures



Whipping *New* Streams

... FOR PROFITS

While less astute anglers are hopefully fishing waters that have ceased to yield real trophies, the creel of the woods-wise sportsman bulges with a full catch—lured from *new found* streams.

In the past year and a half, hundreds of alert executives—quick to sense the depletion of usual profit streams—have turned to new sources and have been rewarded. At a time when every saving counts more than ever before, these sagacious men have slashed power costs to new low levels—often as much as 50 per cent—through the use of Diesel engines.

Fairbanks-Morse—America's largest manufacturer of Diesel engines—has an interesting profit story for open minded business leaders . . . A story based upon dollars and cents figures showing how much an F-M Diesel will save over present power . . . A story that explains how—under the "Savings Payment Plan"—Fairbanks-Morse Diesels *pay for themselves out of savings*.

A request for the facts about Diesel power—in the form of literature or an interview with competent F-M engineers—carries no obligation. Please address Fairbanks, Morse & Co., 900 South Wabash Avenue, Chicago, Ill.

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class cities which have given magnificent support to the theater in times past, go dreary weeks with no theater fare. Chicago offers two tickets for the price of one, while Boston and Philadelphia have few attractions and half of New York's 65 first-class theaters were closed for most of the past season.

High prices hurt theaters

THEATRICAL managers all have pet theories for the sad state of the stage. Probably all reasons given are more or less true. The rising value of theater sites and building construction; the high prices demanded for seats; high salaries of stars and actors; high (perhaps higher) wages of stage hands and musicians; excessive cost of transportation of troupers; and the hypercritical critics are principal reasons mentioned. The radio and automobile are likewise blamed.

In the grand days of the drama, theatrical companies moved for two cents a mile or less, and for 20 fares could carry a carload of scenery on fast passenger trains free. The Interstate Commerce Commission put an end to this practice and did much to kill the acting profession in America. The Commission did not do so well by the railroads in this ruling for no longer do 200,000 actors move about from one night stand to another, no longer do 100 big organizations move from one city to another each week.

This great army of show folks traveled continuously nine months of the year. Even a poor play could stay on the road for 30 weeks and the successful companies played 40 weeks or more.

Like the commuter business of railroads, moving shows was so much "found money." It swelled passenger receipts by so much. Just as the railroads have suffered loss of business, the hotels have been hurt, for the film which comes to town in a tin can by express requires no room and bath and leaves nothing with the restaurant cashier.

Movement of shows also includes transfer from cars to theater and back to cars, of scenery drops, flats, crates and props, and movement of trunks to hotels and theater. In former times transfer men did well at five dollars a load for scenery and 20 cents each for trunks. Today the charge for moving a

show is comparable with the public money voted by Congress. Transfer companies do not do so well, however. Such shows as move about now paint scenery on cloth so sheer that a back drop can be drawn through a wedding ring and the whole works folds into one trunk which is moved in a taxicab.

The spirit of *La Boheme* called men to work back stage. It was not the one dollar a performance paid to grips, and 50 cents to property clearers which attracted so many men and boys as it was the smell of grease paint and the chance to see the show, and to be of the same cloistered world as stars and supporting players.

Today's stage hands earn \$60 to \$84 a week minimum, and when two are called upon to pick up a lath, they phone to the union to send up two more men to help them. Though a play has but one set which stands throughout the run of the piece a quota of stage mechanics report and go home, only turning up the house lights and ringing up the curtain.

When the theater flourished as a busy institution in America, musicians received \$2.50 each performance, and the



"A horse, a horse," the actor cries,
"a horse, a horse," he walks the ties

orchestra leader \$5. This was not a living wage even in those days, but musicians lived as well as their neighbors by giving music lessons, playing in marching bands, teaching in the schools, and composing and arranging music.

Theatergoers miss the overture and *entr'act* music now. Only musical show shops provide orchestras since the scale is \$105 a week with a guarantee of 30 or 40 weeks demanded.

Musicians, like actors and the railroads, were better off in times past since now thousands of them are out of work. The motion picture houses early discovered that pipe organs provided the power and range of orchestras in a single instrument played by one artist, replacing eight to twenty-five men.

In seeking the primary cause of the theater's ruin there are those who hold that the men who made theatric management important went out of the business—were driven out by the ruthless methods and vicious practices of speculators who contributed little in work for the theater, or in talents for production, but who so controlled theaters as to dictate impossible terms.

The long list of successful managers of the past has dwindled to just a few names. The manager who finances his own enterprises today is rare. The so-called managers of show enterprises are hired hands.

The theater as an institution is low at present—perhaps at its lowest ebb. It cannot become worse and it is likely to be improved. Owen D. Young brought an engineer into the executive management of R. K. O., the big chain of Keith, Albee, Orpheum vaudeville theaters, and Hiram S. Brown, the engineer, is developing into a fine showman, applying that rare commodity, old-fashioned common sense, to new and complex problems.

Theresa Helburn, Helen Wesley and their associates are doing a good job of keeping the theater alive by their semi-endowed Theater Guild, and preserving the spirit of fun in their work, and Eva Le Gallienne has devoted her talents and great energies to the Civic Repertory Theater in downtown New York.

Resident stock companies prosper in some cities, and amateurs are doing a grand job in many cities and towns. The generations to come will have their theater, and a

great respect for the magnificent traditions of the stage.

Perhaps, as many friends of the theater hold, appreciation of the stage and its traditions may skip a generation—maybe two. There is confidence, however, in the theater as being the finest form of story telling, and there are those, too, who feel that universal mechanical and electrical entertainment is building a great new audience for the old theater.

They Can Sell But They Die Broke

(Continued from page 31)

keister and sidewalk pitch. The fact is that pitchmen sell goods because they are demonstrators.

Each successful one has personality. To the attention-arresting value of this personality he adds oratory plus a demonstration of the appliance or book he sells. He trades on human curiosity and on that type of mob psychology which causes some to pause because others pause. And he "closes" or "turns the joint" instinctively.

There is a curious slant to the pitchman's closing. His audience is standing and therefore restless and uncomfortable. This compels him to use high pressure methods but, as he stands above and in front of his audience, he is able to assay its state of mind.

Pitchmen could teach selling

IN THIS respect other salesmen might learn something from the pitchman although other salesmen work with clients in a different environment.

If salesmen could learn to study their prospects as skilfully as pitchmen do, they, with the advantage of selling in comfortable environments with the backing of powerful financial agencies, should be able to "turn their joints" much more successfully. Both pitchmen and bond salesmen are, or should be, merchandisers.

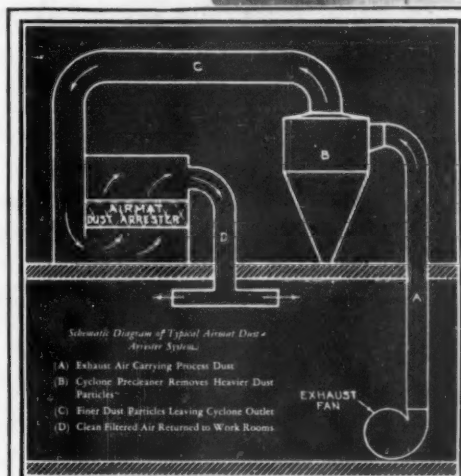
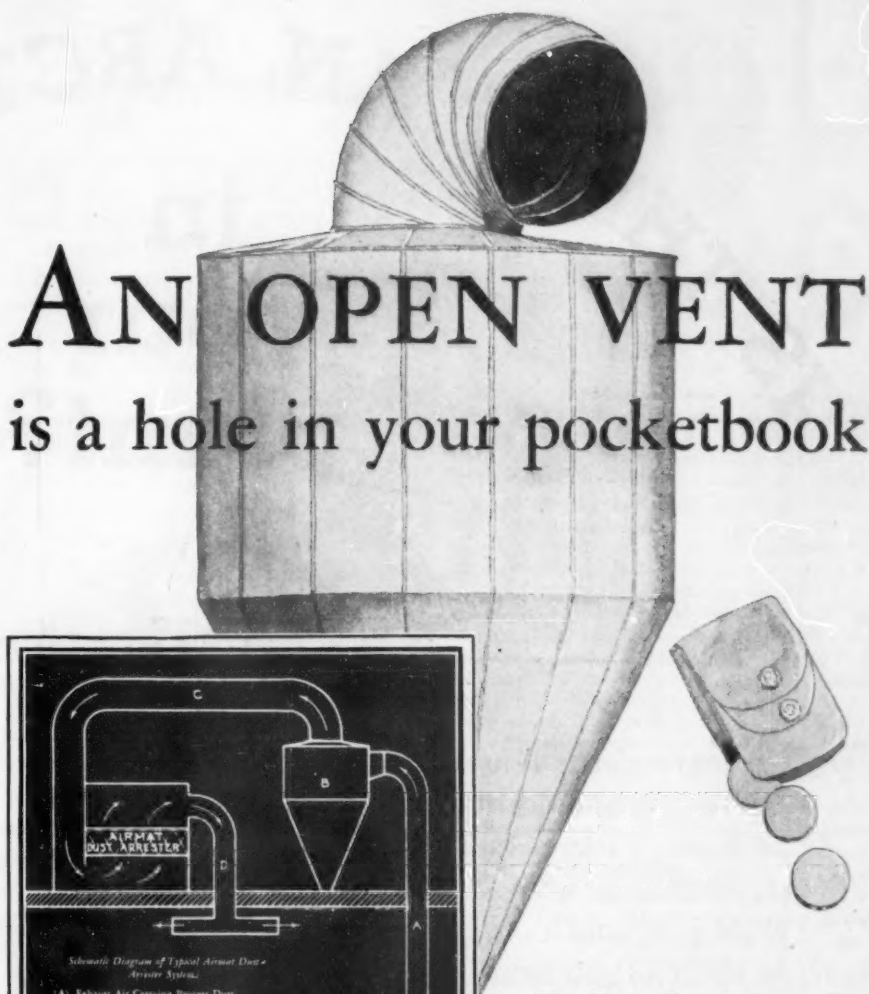
But 90 per cent of pitchmen die in want. They would end their days in prosperity if they would only stay with established houses.

But they cannot conquer their excess of individuality. They are too proud of being on their own. In storm and stress, across the continent, they flivver after the salesman's dollar. If they run out of gas they wait until another pitchman comes along, borrow a "five-spot"—and start out again.

I discussed this with Dad Wicks one day. Dad has been pitching for half a century.

"I'm as good as I was when I was a kid," he proudly replied to my pessimism. "Pitchmen have put over the old dime bank, the Pigs in Clover and many another specialty that has stuck in the factories because stores would not take up with them. Some day I'll get hold of a specialty that'll make me a captain of industry."

You have to hand it to pitchmen for their incurable optimism.



CASE HISTORY No. 149

Lint, like a light fall of snow, was expelled from the Asbestos Card Room of the Garlock Packing Company's plant at Palmyra, N. Y. Through the same vent, heat escaped also. An Airmat Dust Arrester was installed, and, in addition to the benefits of clean, lint-free air, it is estimated that the annual saving in reclaimed material is approximately \$1,281.00 and that the annual fuel saving is \$200.00.

The Airmat Dust Arrester offers to many manufacturers the solution to two serious problems: first, the control of dust originated by manufacturing processes; second, the conservation of heat. Often this dust is valuable and represents a material loss whenever its particles escape. Often it is a menace to the health of employees and of people living near plants, as well as to the appearance of the property and neighborhood. The first purpose of the Airmat Dust Arrester is to collect the dust, either

valuable or objectionable, created inside plants, and to prevent its escape.

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Send for literature giving specific instances where Airmat Dust Arresters have proved successful and showing actual savings effected. Airmat Dust Arresters are made by the AMERICAN AIR FILTER COMPANY, Incorporated, Factories and General Offices, 175 Central Avenue, Louisville, Kentucky.

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A product of American Air Filter Company, manufacturers of

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Venturafin Unit Heaters are made for high, medium or low steam pressure applications. They can be easily and quickly suspended from wall or ceiling with ordinary $\frac{3}{4}$ -inch hanger pipes. Heat control can also be made automatic by the application of a Mercoid Thermostat.



Venturafin Units are equipped with a 3-speed control switch, enabling heat to be forced at low, medium, or high speeds.

HOW much of their time will workmen spend warming their hands this winter? How much *working* time will be wasted by men who are too cold and uncomfortable to stick to their tasks? This is a vital question because it means dollars and cents to you. This is a problem . . . which if it exists in *your* plant . . . deserves attention and decision right now, before another heating season begins.

Venturafin Unit Heaters have proved their fitness for properly and economically heating factories, warehouses, shops, garages, stores, in fact buildings of all types and sizes. They are made in a number of sizes, one of which will exactly meet your requirements. They can be easily and quickly installed in out-of-the-way places singly or in groups, to supplement or replace your present heating equipment. They force heated air *downward* directly into working areas.

If your heating equipment has proved inefficient . . . is spotted with leaky pipes and valves . . . leaves hot spots and cold spots throughout working areas . . . we suggest you call your plumbing or heating contractor at once. He will gladly make a heating survey and suggest improvements. The installation of one or more Venturafin Unit Heaters will *permanently* correct heating deficiencies in hard-to-heat places. Don't delay. Phone him today, or call the nearest American Blower Branch Office.

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BRANCH OFFICES IN ALL PRINCIPAL CITIES (1167)

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American Blower

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MANUFACTURERS OF ALL TYPES OF AIR HANDLING EQUIPMENT SINCE 1881

A Dead Hand Holds Russia Back

(Continued from page 27)

be suspected of sabotage. If, however, he did take the correct amount he is absolved from all blame. So is the author of the formula since the Technical Council approved it.

Following poor examples

THE Russian engineer is an omnivorous reader. But a magazine article or book is law to him, not a suggestion.

One of my Russian associates came to me one day and asked about a method of mining thin coal on a heavy pitch. We went over it carefully. Several weeks later he returned and asked:

"How did you say this method should be worked?"

I suspected what was in his mind and asked him some further questions. Finally he said:

"I have an article here in an American technical magazine in which the author supports a very different method from yours."

The author was a capable man whom I knew, but I knew also that his ideas had not met with wide acceptance. In fact he was only reporting on an experiment. I went to a Russian who better understood American methods and asked him to file the article in the waste paper basket.

Standardization is an excellent thing, both in theory and in practice, but it can be carried to a point where all adaptability is lost. Let me describe an instance, and here I'm telling a story which parallels, but not exactly, a situation we met in Russia.

In one building some 15 different motors were needed. To do exactly the work required, one should have been 9.5 horsepower another 10.25 and so on, but to build or buy a different motor for each task might well be an extravagance. On the other hand, to fit the same powered motor to every task would be a great waste of power.

Somewhere there would be to us with American training a common-sense half-way point which should neither try to procure an individual motor exactly suited to each particular task nor to make over the job to fit a particular motor. We should have asked, "What will make the mine pay?" "How can we get coal out with the least cost in view of all existing conditions?"

But to the Russian under government

control there could be no half way. There must be a rule. Standardization was either all right or all wrong.

One of the handicaps Russia is facing in her industrial problems right now is in her leap to standardization. Mines of similar tonnage must have exactly the same equipment, mine cars, fans, head frames, preparation plants, regardless of physical conditions of the property.

This reliance on theory, this obedience to law is due partly to industrial inexperience, partly to the pressure to get into production as quickly as possible, but the most important cause is the Russian ideal of government.

When the Communists assumed power, there were no industrial facilities but there was a crying need for thousands of things. There was an urge to build in a few years an industrial system equal to that of Great Britain or Germany or the United States which had taken years to build. There was no time to accumulate experience to try plans by success or failure. Some one—and that some one was the government—must settle what was right and all must follow it.

And with that goes the inherent weakness of all government in business, the suppression of the individual, the denial of the reward of initiative. If we set out to build a nation on the theory that each man is as good as his neighbor then we may well ask ourselves, "Will all men end up on the level of the best or on the level of the worst?"

What seems to me more likely to happen is that all men will end up on a dead level of mediocrity.

(This is the second of a series of articles by Colonel Starr. The third will appear in an early issue)

Industrial Conference

A CONFERENCE on "Management Problems of the Smaller Industries" will be held under the auspices of the National Industrial Conference Board, Inc., at Silver Bay on Lake George, N. Y., August 10 to 15. The conference is primarily for executives of the small industries. There will be discussed common problems and experiences particularly as they differ from those of larger companies and from problems that are met in the same manner by both large and small companies.



A merchant from Penzig wants to see you!

Many American business men sail a route to profits—twice each year they go to the Leipzig Trade Fairs. Here they shop all of the important markets of Europe and Asia in less than one week!

From Penzig and Budapest, from Waasa and Yokohama—both the great international markets and the small communities of craftsmen (famed, but hard to reach!)—manufacturers will come to the Fall Fair from August 30th to September 3rd.

A total of 125,000 buyers from 72 countries will attend. They will see general merchandise and novelties of 6,000 firms—and industrial, building and household supplies of 1,000 firms. These exhibitors come from 22 countries. New trends, first shown at Leipzig, travel throughout the world.

We know that 95% of the American buyers who once go to Leipzig go again. They know there is an extra price advantage in buying at Leipzig today!

Among the manufacturers exhibiting at the Fall Fair are 175 firms showing lighting fixtures and kindred lines; 168—chemicals, cosmetics, pharmaceutical products; 220—precious metals, jewelry, clocks and watches; 676—glassware and ceramics, crockery and pottery; 812—household goods, metalware, electric household appliances; 392—applied art and artistic crafts; 542—notions and fancy goods; 249—leather goods and traveling requisites; 455—furniture (including wicker furniture); 133—musical instruments, radios and radio parts; 116—confectionery and foodstuffs; 687—stationery, office appliances, books and graphic arts; 140—sporting goods; 260—advertising appliances (including wrappers, posters, novelties). At the Textile Fair—from August 30th to September 2nd—more than 700 exhibitors will participate.

Your trip to Leipzig is both easy and profitable. We shall be glad to furnish further details on any lines in which you are interested. We can also secure for you discounts on most of the railroads in Europe and make other arrangements which will guarantee you a pleasant stay abroad. Please use the coupon below.

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AS FAR as getting a drink of cool, refreshing water is concerned, you might just as well be on a raft out on the ocean as in some retail stores, offices, banks, and business houses. There is water, of course—warm, unpalatable, uninviting water, but try to get a cool drink of fresh water.

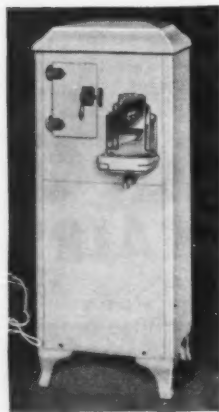
On the other hand, many executives know the dollar-and-cents wisdom of making available—for customers and employees alike—an inexhaustible supply of pure, healthful water, cooled to exactly the correct temperature. They know, from experience, that Kelvinator

Electric Water Coolers pay big dividends—in goodwill and good health.

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Kelvinator self-contained Water Coolers are available in either the Bottle or Pressure type. Both are fully automatic, quiet, dependable, *beautifully designed*. For the Bottle Type, you merely plug into the nearest electric light socket, and for the Pressure Type, it is an easy matter to connect the Cooler to the city water lines and you have cool, sparkling water—in abundance, at all times.

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The Rain of Plans

(Continued from page 36)

How can a five-year or a ten-year plan be workable unless it gives due deference to the changing tastes of these 120 million persons and who can vision clearly these tastes for one year let alone five or ten?

Only the other day an executive of a great manufacturing company said to me:

"Men talk to us of the need of planning our business for a long time ahead. They would have us try to plot a line of growth for five years or ten years ahead, to make our tentative budgets over a longer time. It's good advice and we do follow it as best we can, but in our business we cannot tell today what are the markets of tomorrow. We are constantly finding new uses for our products and other materials are coming up to battle us for our present markets. How can any plan be more than the expression of a hope?"

And his business was only a drop in the bucket of American industry!

I have spoken of the need of supermen to make a United States Economic Plan. If we had them and they made a plan who then should enforce it? The United States Government seems to be the only answer and that would call not only for a tremendous remaking of our laws but for a readjustment of our whole system of government. We are reminded of the success of the War Industries Board and it is cited as proof that a plan can be made and enforced.

Expediency, not economy

WE forget that the purpose of the War Industries Board was not to prevent waste. It might be possible that in some respects it was extraordinarily wasteful, but waste is not reckoned with in war. What armies and navies need they must have. The War Industries Board was intended to stimulate and control production and distribution.

Nor was there any question of the legality of things done. The urge of patriotism keeps men and women from questioning when they are told to do this and not to do that in war time. But a peace time plan would need new laws and new means of enforcement. It would call for a sacrifice of independence on the part of maker, seller and user which is foreign to our whole American idea.

American business is always planning. No manufacturer, no merchant looks with an easy eye upon an unsold

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surplus or a closed factory, much less upon an idle worker either at the lathe or the desk. And there is more hope in the plans of business to keep men at work and fed and clothed than in any plan yet put on paper.

Herbert Hoover proposed a 20-year plan at Indianapolis the other day. It was an American plan he said to take care of 20 million more people, to add to their bodily comfort and their peace of mind and it will be done, he is sure, in the same spirit and by the same methods that have led this nation in 156 years of successful progress.

The easiest complaint against any form of criticism is, "You are not constructive. You are merely destructive."

That can be said fairly about this article. To that I can only reply:

"Of course it is destructive. It is meant to be. The purpose of much criticism is to be destructive, to point out flaws and, perhaps, to sound a warning before it is too late. I have tried to show the dark side of the picture in the hope that, in some small way, it may prevent hasty enthusiasts from leading us to do something we might regret."

Retailing Needs Better Brains

(Continued from page 34)

training is the whole answer. I am more interested in a high caliber of ability and a degree of intelligence than anything else. First rate men and women are developed from boys and girls who have only a high school education. But, in general, the college course, if the boy or girl has worked at it, leaves him or her with a better trained brain.

Too, I don't want the reader to think that the process can be carried on indefinitely. I have seen boys and girls who have gone through these schools with fine success and have found high places in retailing. I would rather have the youngster who has shown ability in Greek philosophy or in biology than the one who has done only passing work in a school of business administration.

Retailers should sell the advantages of a merchandising career but they cannot do this until it is realized that merchandising is one of the largest and most important lines of endeavor and has a tremendous responsibility to this country.

To help cure this or prevent a future depression it is essential that the retail business distribute more goods at less cost. This can only be done by better methods and better thinking and these come only out of better trained brains.

BUY YOUR IRON FIREMAN *by the month* LET IT PAY FOR ITSELF

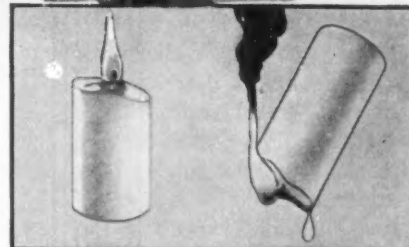
**Iron Fireman pays for itself
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Here's what it did for...

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"Iron Fireman paid for itself in three months."
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Why pay a premium for hand-fired coal, or costly types of automatic fuel? Iron Fireman can give you better heat or power for less money.

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Iron Fireman "Forced Underfiring" is like burning a candle right side up. Fuel fed from below gives a bright, clear flame with no waste... Hand-firing is like burning a candle upside down. Fuel fed from above causes smoke, sluggish flame, poor combustion.

(3) reduces labor costs; (4) eliminates the smoke nuisance.

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Ask an Iron Fireman engineer to survey your boiler or furnace room. His report should convince you that Iron Fireman is one of the best investments you can make. Iron Fireman Mfg. Co., Portland, Oregon. Branches or subsidiaries in Cleveland, Chicago, St. Louis, New York, Milwaukee. Dealers everywhere.

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Are you trying to **STRADDLE** **TWO** **JOBS?**



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When you do your own sales financing you take a number of risks. Working capital ceases to be liquid. Overhead often climbs unnoticed until it is a menace to your profit margin. At best you are diverting considerable time and effort from your main job of sales building.

If all the facts were before you they would show that seldom if ever is there any profit for the manufacturer or merchant in financing. Isn't it significant that the industries which have made the most notable success with time payments are the ones which have consistently entrusted their financing to banker specialists?

As a banking institution specializing in service to those who sell goods on credit C.I.T. is now cooperating with leading producers and distributors in the marketing of more than 80 types of products. C. I. T.'s nation-wide system of local offices make possible speedier, more

efficient service in checking credits, making collections and taking care of all instalment details.

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What Wall Street Talks About

By MERRYLE STANLEY RUKEYSER

BY EARLY summer it became evident that the world of finance had become tired of being pessimistic. Accordingly, the powers that be thought the time propitious for inaugurating a "managed recovery."

The climax of this effort to influence the course of events by decisive man-made policies was President Hoover's proposal for a debt holiday. The immediate effect of this pronouncement was electrical and it reverberated throughout the security and commodity markets of the world. First it stopped the flight from the mark and relieved the world of worry over the prospects of bankruptcy for the German Government.

It immediately became apparent that uncertainty concerning the ability of nations to make debt and reparations payments was one of the depressing influences. Earlier maneuvers in the so-called managed recovery were the investigation by the Stock Exchange of the short position of a number of firms and the reduction of marginal requirements of stock by banks and brokerage houses from 25 to 20 per cent. Another of these series of planned "constructive" developments was the petition of railroad executives for a 15 per cent freight rate increase.

These various gestures were symptomatic of a belief by influential leaders in government and in finance that the time had come to set in motion recuperative forces. Many of those who for months had held tenaciously to the view that deflation must run its course, switched to the opinion that the corrective movement had gone far enough and that the outstanding need was to generate forces of recovery.

AT MID-YEAR, when the managed recovery in the speculative markets was getting ef-

fectively under way, the fundamental business statistics were scarcely encouraging. Of course, they reflected what had been taking place, whereas speculators were looking ahead to what was possible in the future.

As for business itself, there had unquestionably been some backsliding since the spring peak. Some industries established a new low record for the depression. But from the constructive standpoint, it seems significant that business in the aggregate had shown little if any net decline for about six months, indicating that the great depression had run its course and that a bottom had been established.

However, with business itself greatly depressed and distinctly subnormal, some of the leading statisticians in and out of corporations deferred their predictions as to the return of computed normal business. Those who had been

predicting normal business by the second quarter of 1931 gradually postponed their forecasts until the end of 1931. Nevertheless, the consciousness is growing that the world is capable of economic regeneration and that in time slow recovery will take place. Many lean to the view that the second half of the year will be better than the first.

LITTLE of a distinctly constructive character can be accomplished without a reasonably cheerful psychological background. Business expansion is contingent on a reasonable amount of public optimism. Accordingly, the improved sentiment since the managed recovery has been undertaken is a factor of more than negligible importance.

Business in the large is still distinctly subnormal, partly because of the small current expenditures for permanent capital goods. Such improvement as has taken place in recent weeks has been mainly in goods moving directly into consumption. Consumers who were loaded up with huge inventories at the peak in 1929 have gradually used up their accumulation and are replenishing their stocks. This process is in accordance with Babson's assertion that a depression lasts only as long as it takes the average man to wear out two pairs of pants.

With construction lagging, numerous authorities have suggested that the Government step into the breach and inaugurate a large campaign of public works. A number of scientific economists have insisted that federal government expenditures thus far have been too small to be decisive.

Leo Wolman, professor-elect of Economics at Columbia University, has suggested that the time is ripe for the Government to raise two billion dollars through a bond issue which is to be spent on permanent public improvements. W. R.



BY EZRA WINTER, IN THE BANK OF MANHATTAN TRUST COMPANY

A buttonwood tree in Wall Street sheltered the New York Stock Exchange's first meetings



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The Way Back

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Hearst, publisher, went even further, and proposed a prosperity loan of five billion dollars for social reconstruction and the return to prosperity.

IN CONNECTION with these proposals for speeding up public works in time of depression, as was advocated by the President's Conference on Unemployment more than a decade ago, it should be borne in mind that the counterpart of this policy should be a retardation of postponable public works in times of prosperity.

Politically, it is easier to increase public spending in dull times than to pull in the strings in times of boom. Unless the policy is double-edged, it will not fulfill the hopes of its sponsors and prove a stabilizer to business.

AT RECENT low prices, the money income of American farmers has shrunk 40 per cent since 1929. The reduced buying power of farmers, accordingly, is one of the depressing influences in the domestic situation.

Walter B. Pitkin, of Columbia University, who has made a close study of farm problems, told me that recent low wheat prices indicate that 355,000 farmers and their families on marginal grain land must quit the farms. Such an egress, he said, would tend to cut down production and limit the crop to pretty much the domestic requirement.

Mr. Pitkin says that the cure for the dilemma of wheat growers is to cut down the wheat acreage in the United States by 35 per cent, cultivate only on selected land, and employ scientific methods and power machinery, which would show a profit even on recently low price levels.

IN COMMENTING on the plight of the farmer, George M. Moffett, newly elected president of the Corn Products Refining Company, who succeeded the late E. T. Bedford, told me:

"Compare the first five months of this year with the like period of 1929 and it is found that nine products which go to make up 77 per cent of all the farmers' income have suffered so heavily that they bring the average drop for the period to more than one-third.

"Detailed examination of the items reveals that income from wheat and poultry are down 17 and 19 per cent respectively; that hogs, cattle and calves, eggs and the combination, milk, cheese and butter, are off more than one-third;

Calloused hands . . . will bring back prosperity

Moneyed men sit around conference tables and discuss cures for the ills of depression. Stock manipulators deal with millions, winning and losing fortunes in a day. Prosperity's answer is not in their hands.

It is in the hands of the worker, the wage-earner, who makes up the great population that is America.

When he spends seven dollars where he spent eight dollars before, there is a business depression. When he spends the eight dollars again, prosperity will return.

The nation appreciates his importance more than ever before. "Keep up wages," urges Secretary of Labor Doak.

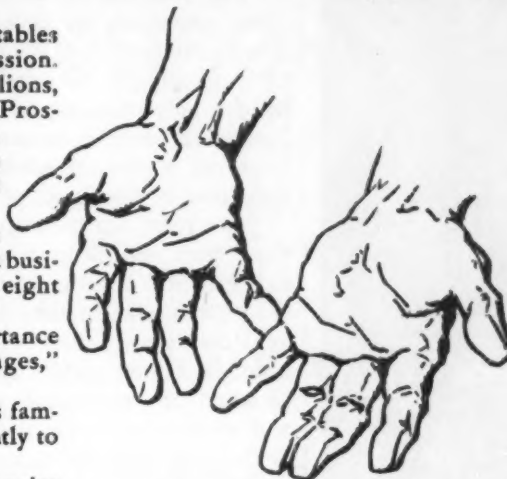
And equally essential to his and his family's financial stability, and consequently to prosperity, is his ability to borrow.

His home knows financial emergencies just as big businesses do. When babies arrive, when sickness visits, when taxes are due, when there are temporary layoffs, he often cannot pay his bills, cannot afford to buy the usual necessities of life.

He, his creditors, and the entire nation would suffer, if he could not get supplementary funds to tide over such times of stress.

Back of his family, and hundreds of thousands of others, stands a great family finance organization, Household. To one of its 138 local offices he may come when he needs to borrow. He is not asked for stocks and bonds as collateral. He is not asked to get co-signers on his note.

On his integrity, on security which almost every family has, and on his ability to pay back the loan in monthly installments, he can get from \$50



to \$300 to pay his bills and keep his family in the market.

The reasonable charge for his loan is regulated by the Small Loan laws of this state and twenty-five others. But he need pay even less than the lawful maximum at the Household offices where the rate has been reduced nearly one-third on loans above \$100.

He will find there, also, advice on expending his wages wisely to keep out of debt.



MONEY MANAGEMENT FOR HOUSEHOLDS, a helpful booklet on budgeting family income, leading to the happiness of financial security, is offered without charge to all. Telephone, call, or write for a copy.



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goods

In times of stress, anything that strengthens the wage-earner's financial stability, aids business and professional men as well. Thus the family finance company, by enabling the worker to pay his bills promptly and make needed new purchases, is of service to doctor, lawyer, landlord, merchant. The advertisement

reproduced is part of a campaign aggressively going after prosperity by speeding collections. It is appearing in newspapers of four and three-quarter million circulation. For more information about the personal finance business, you are invited to write to Dept. N6, Household Finance Corp., Palmolive Bldg., Chicago.



even
TEDDY BEARS
stay with us!

● We could, in a dull, statistical sort of way, tell you how many children a day play in our sunny Teddy Bear Cave on our top floor . . . how many hours they spend there, tenderly watched over by our Play Lady . . . how often mothers leave their little tots with us while they go shopping . . . how often nurses take them out walking or driving . . . or how many little meals, with special children's food, we serve every day in our nursery. But it would all just add up to this: we try to remember what an unhappy time of it children usually have when they visit hotels with their grown-ups. Come and see how hard we try to be different from most hotels.

The ROOSEVELT

Madison Avenue at 45th Street, New York
Edward Clinton Fogg - Managing Director
One of the 25 United Hotels



When writing please mention Nation's Business

a 40 per cent reduction has taken place in income from sheep and lambs; corn represents a 50 per cent cut; cotton, most seriously affected, lowers the contribution to income by 67 per cent. All these items have conspired to lower the total income by 908 million dollars in the transactions of 151 days.

"This lowering of farm purchasing power cannot help but have far-reaching effects. Products of the industrial centers, particularly luxuries, cannot be bought; only essentials can figure until purchasing power is restored. Thus the industrial centers are affected seriously right now by the plight of the farmer.

"Two years ago the cash income derived from agriculture was more than nine billion dollars representing 11 per cent of the total national income. This year the farmers' income will be less than six billion dollars, provided the situation in agriculture becomes no worse than it was in the first five months of the year. That means a reduction in income of perhaps 40 per cent from 1929."

IN DISCUSSING the question of rehabilitating railroad credit with me, J. M. Kurn, president of the St. Louis-San Francisco Railway Company, indicated that more than a freight rate increase is needed. Mr. Kurn proposed a round-table conference of railway executives and officers of large industrial corporations and other users of transportation.

He said: "There are many things to do, but I have always been impressed with the thought that the relationship and the interdependency of all basic industries should be a matter of real concern as between the executives of the major industries. I believe that if the problems of each could be considered intelligently by all, there are instances where one, despite an opportunity to make a momentary saving, might be willing to surrender in the interest of the situation as a whole. For instance, highway transportation is deflecting much traffic from the railroads. A comparatively few executives in control of large industries could solve the question by standing for a principle that increased purchasing power was the goal to attain.

"For years the carriers transported the products of the automobile industry and the products of the packers successfully. No one knows better than the heads of these great industries the efforts put forth by rail carriers to render efficient, prompt service, and the country reasonably prospered under these conditions.

"Truck competition has taken much traffic from the rail carriers which could easily be returned to them if it could be shown, as I am certain it easily could, that the purchasing of their products had not improved as result of the changed situation.

"In other words, two sides of a ledger could be maintained; one showing the results in saving, the other the lessening of the purchasing power, which in part might be attributable to the deflection of business which the carriers heretofore enjoyed. The same thing could apply to the transport systems of the automobile industry and, in a measure, could be applied to the water ways in connection with the traffic which the carriers previously enjoyed.

"There are many phases of this problem which could be made a matter of round-table discussion with the executives of big industry and I am certain that, in time, much lasting good would be done in the direction of increasing or improving the purchasing power of the country."

THERE is much in the idea of a round-table discussion between the producers and consumers of transportation service.

Personally, I do not lean to the view that people ought to use rail transportation because of loyalty or patriotism. I think that the country is entitled to the most efficient transportation available at the lowest possible cost.

Rather than urge a conversion of the public back to rail transportation, I would propose that the laws be so modified that the railroad companies might, in the future, envisage themselves as great transportation trusts which would coordinate all forms of transportation, including steam railways, buses, trucks, airplanes, steamers and even pipe lines.

I THINK the Interstate Commerce Commission made an error in judgment in refusing to open up an inquiry on its own initiative into the financial plight of the railroads. The Congress, in the Transportation Act of 1920, instructed the Commission to permit the railroads to earn a fair return on their property investment. Congress intended the new regulation to be constructive and not merely punitive.

Congress showed an interest in establishing the railroad's credit, not merely a negative desire to prevent the carriers from overcharging shippers and passengers. Though it is true that the railroads are suffering at present primarily from the business depression, they are also

MARKET NEWS *plus* BUSINESS FACTS
equal
THE WALL STREET JOURNAL

Primarily a Financial Paper—but even more—“A BUSINESS JOURNAL”—

Its market quotations and reports are complete and accurate—The news facts on business of every kind are bright, terse and informative. Its integrity commands the confidence of the readers.

Leaders of *Industry, Commerce, Finance* read it daily. It is important in their business—and these men not only purchase securities—they buy all of the things that go to make life better, easier and more comfortable to live.

Serving readers who have the means to buy the best

THE WALL STREET JOURNAL

44 Broad Street, New York

Western Financial Office, Board of Trade Building, Chicago, Ill.

Western General Advertising, 180 No. Michigan Avenue, Chicago, Ill.



CLEAN and INVITING

That is your assurance when drinking from a Rundle-Spence Vertico-Slant drinking fountain.

Clean . . because the water spouts angularly from a jet that is completely protected. Lips do not . . cannot come in contact with this jet, and that means sanitation. *Inviting* . . because it is so sanitary . . . because you know the free flow of fresh water is not contaminated . . each drink a healthful one.

Rundle-Spence drinking fountains can be had in any one of a variety of colors. Our late catalog tells you all about them. Write for it.

RUNDLE-SPENCE MFG. CO.
436 No. Fourth St. Milwaukee, Wisconsin

RUNDLE-SPENCE

LIPS CAN NOT TOUCH THE R-S NOZZLE



DON'T BUY AN ADDRESSING MACHINE ♦ ♦

unless it is the kind that ALSO
PRINTS the forms it addresses!

Don't be satisfied with less
than this DOUBLE-DUTY.

ONLY "ELLIOTT" can pro-
vide a popular-priced machine
of the kind.

For complete information, pin
this ad. to your letterhead and
mail to the

ELLIOTT ADDRESSING MACHINE CO.

(World's largest makers of Address-
Cards & Automatic Address-Printers)
CAMBRIDGE, MASS.

suffering from the cumulative effect of 5,000 individual rate changes, mostly downward, which have been made in the past nine years. It should be borne in mind that, even during the period of unprecedented prosperity, the railroads as a whole failed to earn the statutory fair return. Accordingly, they could get little fat to carry them through lean periods.

Though their request for a rate increase should get sympathetic attention, it by no means solves the whole railroad problem. The railroads need more venturesomeness and energy and inventiveness. They should take a leaf from the book of experience of the ablest industrialists of the country. They should increase their expenditures on research and experimentation. Improvements have come too slowly on the railroads, whereas changes have been rapid in other forms of transportation. Daniel Willard, on the B. & O., has set a fine example for other railroad executives in experimenting with an air-conditioned and air-cooled train in the New York-Washington service.

THE prolonged business depression has enormously stimulated the production of thoughtful books on current economic subjects. An interesting new volume entitled "Onward Industry" has come from the pens of James D. Mooney, vice president of the General Motors Corporation in charge of overseas operation, and Alan C. Reiley, retired advertising manager of the Remington Typewriter Company. These authors hold that modern industrialism gives the common man for the first time the hope of a reasonably affluent life.

In his foreword to the book, Mr. Mooney points out:

"The final task of industry is to organize participation in these activities (of modern industry), even in the most backward communities and countries, through which alone can purchasing capacity be created and extended. Such participating activities have hitherto been regarded by industrial management simply as operating necessities. Their higher necessity, as the only means through which markets and true industrial service can be extended, will be considered. . . .

"Industry must seek profits, but such profits can come legitimately only through some form of human service. It is of historical record that throughout the ages prior to the advent of the industrial era the great masses of humanity lived in what, according to advanced

modern standards, was the extreme of want, privation, and wretchedness. Only with the coming of modern industry have these standards begun to rise, and for the vast majorities of the earth this process, even today, has hardly more than started. The progress thus far made has been due largely to the higher efficiencies of mass production and mass distribution.

"It is a reasonable expectation that large organizations will continue to advance in their technique of production and distribution and thus make more goods available at ever decreasing price levels. There is thus a true inspiration in the prospect of offering the masses of the world better food, better clothing, better shelter, and more of the comforts and even the luxuries of life.

"Here then is the inspiration, and here, too, is the challenge to industrial and commercial leaders. Our machines, our tools, our technique, are all available. But can we supply the elements that will accelerate the movements of large human groups toward these objectives; toward these better standards of living?"

WALTER CASE, the Wall Street financier, has suggested that a useful outlet for capital and for the energies of men might be in injecting a higher element of artistry into buildings, replacing the hideous with the beautiful.

CHARLES HARRY CHASE, economist of Ohio State University, points out that "prosperity is not the natural condition. Prosperity always has to be caused through the organization of some fairly well coordinated body of business arrangements.

"Depression is mere absence of business activity, mere vacuity. Whenever we fail to effect an economic program adequate to employ our resources, depression inevitably ensues.

"Almost any sort of business project, if reasonably well coordinated and developed on an ambitious scale, produces prosperity and dispels depression. If we examine statistical charts of the course of business and take the rapid upward inclines, we shall find in every spot where there are upward inclines a strong program of production, expansion, construction, distribution and so on. It is a perfectly natural thing that when people get together on such a program, they are busy, and it is a perfectly natural thing that when they have no program, they are not busy—and then you have a depression."

Britain's Business Plans a Way Out

SHARING the general anxiety in Great Britain about the industrial position of the country, the Federation of British Industries, a representative national organization of British manufacturers, has recently recommended definite steps to remedy matters.

Great Britain is failing to take her proper share of even such world trade as now exists, the Federation points out. If she is to participate fully in the general improvement of trading conditions, when it comes, she must take immediate preparatory measures.

Equality of opportunity with industries of other countries is a prime requisite for such participation, it is stated, an equality which must be achieved by lightening the burdens now borne by British industry. Two methods are recommended:

1. Establishment of a fiscal system which will combine protection of British industries at home with the widest possible extension of interempire preference, and;
2. Reduction of taxation and other charges now borne by British industry.

Needed money is lacking

THE Federation recognizes the necessity for the continuous development and rearrangement of means and methods but such development, it is pointed out, requires money. This is either difficult or impossible to raise so long as the policy of free imports dampens the confidence that is a prerequisite to industrial success.

Thus the Federation puts the burden of relieving Great Britain's condition squarely upon her political leaders, declaring that they "should realize that it is upon them that the duty of leadership devolves even if the taking of essential action to reduce national expenditure be apparently unpopular amongst those who look to them for guidance."

Discussing the proposed fiscal reforms in detail, the Federation urges adoption of a carefully adjusted tariff, preceded by adoption of an emergency tariff which would prevent dumping of imported goods upon the British market in anticipation of the permanent tariff.

Setting up of a permanent board to frame this permanent tariff and to re-

vises it whenever advisable, is also recommended. To obtain the widest possible extension of inter-Imperial trade, the United Kingdom, it is declared, must be prepared to impose duties granting preferential treatment to the Dominions. Not only is the proposed permanent tariff envisaged as a protective device for the home market; it is also seen as a powerful bargaining weapon in the negotiation of commercial treaties.

Turning to reforms other than fiscal ones, the report lays down the fundamental principle that Great Britain can maintain her place as an industrial and manufacturing country only so long as a large proportion of her manufactured goods can find outlets in export markets. To find such outlets, British production costs must permit attractive selling prices and at the same time provide those who initiate, develop and manage British industry a net return comparable with that received for similar services in other countries.

Neither of these conditions, it is bluntly stated, have been fulfilled since the War; further, unemployment and depression in Great Britain will become progressively worse unless and until the British public cooperates to carry out a national policy designed to secure them.

British goods cost too much

THE plain fact, the Federation declares, is that British goods cost too much now and that they have cost too much ever since the War. Reorganization and amalgamations of industries have already attempted to reduce these costs, but more is needed. A reduction in national expenditure—and thus a reduction in the burden of taxation now carried by British industry—is imperative. This burden, resulting chiefly from war-time obligations and the provision of social services on a scale unparalleled in any other country, constitutes a serious overhead charge on trade, one that particularly affects the ability to compete in export markets.

The psychological effect of this crushing burden is also serious, the report declares, for the adventurous spirit, which makes for progress in industry, is curbed when enterprise is expected to pay the penalties of failure without being allowed to reap the rewards of success.

Thus British industry is deprived both of the means and the incentive for normal progress. A continuance of the present tax burden, the Federation believes, can lead only to further loss of trade and prestige.

Services prove expensive

THE national debt, it is pointed out, is more than 11 times the prewar figure. More than double the whole prewar cost of national government, it is further declared, is now being spent on services which are not directly productive. Social services, which in 1911 cost the government £63,157,000, cost in 1929, the latest year for which figures were available, £395,783,000. Breaking this down on a comparative basis, the 1911 cost of unemployment, health, widows, orphans, old-age pensions, poor relief and unemployed workmen's act was £23,731,000, the 1929 cost £196,468,000; in 1911 Ministry of Pensions acts and war pensions cost nothing, in 1929, £53,958,000; in 1911 education acts and reformatory and industrial schools cost £34,179,000, in 1929 £97,766,000; in 1911 public health, lunacy, and mental deficiency acts cost £4,359,000, in 1929 £15,949,000; housing expenditures in 1911 were £888,000, in 1929 £31,642,000.

Some of these increases, the Federation recognizes, represent obligations which must be honored, yet they nevertheless impose a crushing load on industry, a load which it is a prime and urgent necessity to lighten.

The Federation realizes that in proposing these drastic changes of policy it is challenging the principle upon which the policies of successive postwar governments in Britain have been based; further, that it is asking the electorate to surrender advantages which, under the influence of those policies, many have come to regard as their right.

Despite this, the Federation declares, it is convinced that the British public will face the issue bravely when once the seriousness of the situation is realized. Until this is done the report concludes, all effort to achieve real and continuing economy will be wasted. The only alternative is financial disaster.

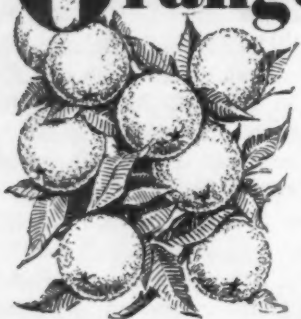
—PAUL H. HAYWARD

PAGE FENCE

in **4** Metals



Oranges won't grow in MAINE



Atmospheric conditions are against the raising of this splendid fruit so far north. It's the same way with fencing.

Corrosive elements in the atmosphere vary in different parts of the country. A good fence in one locality may be foolish extravagance in another, because of the changed corrosive conditions it has to withstand.

To make PAGE Fence last longer and give the best service per dollar invested, it is now available in these four fine metals—each the best for certain atmospheric conditions:

1. PAGE ALCOA ALUMINUM
2. PAGE ARMCO INGOT IRON
3. PAGE COPPER-BEARING STEEL
4. PAGE ORNAMENTAL WROUGHT IRON

Call in a PAGE Fence expert. He will tell you which PAGE Fence will give the longest service at the least upkeep in your particular locality.

76 Service Plants erect PAGE Fence everywhere. Write for name and address of plant nearest you. They will gladly consult with you and offer suggestions from plans to erection. Also, send for new illustrated booklet—Border Patrol—which contains complete information and shows various styles. No obligation. Address Page Fence Association, 520 N. Michigan Ave., Dept. D86, Chicago, Ill.

PAGE

Page Fence is a Product of
The Page Steel & Wire Co.,
an Associate Company of
American Chain Co., Inc.



Page Fence of Armco Ingot Iron
fabric is exclusive with Page

FENCE

CHAIN LINK OR ORNAMENTAL WROUGHT IRON

When writing to PAGE FENCE ASSOCIATION please mention Nation's Business

Through the Editor's Specs

(Continued from page 9)

interestingly written out, specified and prescribed in July NATION'S BUSINESS.

Naturally, it brought a wide response, because, of all the featured articles in leading magazines and newspapers, it is the only one which had the common-sensible appeal of self-help. Other magazines featured leading articles on "A Ten-Year Plan for American Business"; "America Demands a National Plan"; a third presented "A Federal Economic Council"; a fourth an extended article by Charles A. Beard with a plan to set up a Grand or Supreme Economic Council at Washington, with syndicates on agriculture, construction, power and light, and steel, with Boards of Strategy and Planning, all working from the top down, rather than from the bottom up.

So, naturally, from our audience, an appeal to individual freedom and individual initiative brought its response. Here are short excerpts from a few of them:

A conscientious endeavor to apply the twelve-point program will serve the twofold purpose of increasing the efficiency of one's own organization and bring about the restoration of good business conditions generally.

—OTTO H. FALK, *President, Allis Chalmers Mfg. Co., Milwaukee*

Tells with startling clearness some of the major requirements for business recovery.

—C. M. CHESTER, JR., *President, General Foods Corporation, New York*

Splendid article.

—W. F. GEPHART, *Vice President, First National Bank, St. Louis*

A truth too many business executives have overlooked.

—A. ATWATER KENT, *Philadelphia*

First class, the idea right.

—WILLIS H. BOOTH, *Vice President, Guaranty Trust Co., New York*

The general philosophy fits with my philosophy.

—HENRY M. ROBINSON, *President, Security—First National Bank of Los Angeles*

Absolutely right.

—GEORGE M. VERITY, *Chairman, American Rolling Mills Co., Middletown, Ohio*

Most timely and sensible plan. He strikes bull's-eye.

—LAFAYETTE HANCHETTE, *Chairman, Utah Power & Light Co., Salt Lake City, Utah*

A statesmanlike approach. If business

will follow this plan things will soon begin to untangle.

—WM. V. HODGES, Attorney, Denver

Sound in principle, workable and practical.

—R. T. MOORE, Chairman,
Commercial National Bank, Shreveport

Good.

—A. W. ROBERTSON, Chairman,
Westinghouse Electric & Mfg. Co.

What every real man entrusted with business management should know.

—GEORGE A. MARTIN, President,
Sherwin-Williams Paint Co., Cleveland

Very convincing and timely.

—WALLACE M. ALEXANDER,
San Francisco

"FOR three thousand years Governments, from ancient China to modern Russia, at intervals have meddled with the food supply. Whenever they have meddled, they have muddled. Out of 60 recorded experiments in price-fixing of grain, cited by the librarian of the Bureau of Agricultural Economics of the United States Department of Agriculture, there is not one that has not ended in utter failure."

The foregoing is an expression from the Rt. Hon. Winston Churchill, M.P., as recorded in the *London Morning Post*. Mr. Churchill is referring here to an article which appeared in NATION'S BUSINESS for September last. It was by Mary G. Lacy, and the title was "The Futility of Government Price Fixing."

BACK in March we called attention editorially to the fact that Australia was once pointed out as a shining example of what government could do in taking over the personal responsibilities of citizens. Then we reported that Australia is bankrupt today, a fact that the idealists should consider in advocating the extension of such social programs elsewhere.

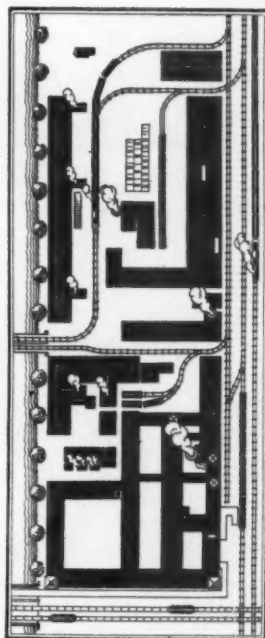
Away "down under" in Melbourne, an executive of the Colonial Gas Association, Ltd., W. B. Edwards, read our comment and writes to assure us that even in socialistic Australia efforts are being put forth to combat radicalism. He adds, "While you can point to Australia as a horrible example of what government control of industries has accomplished, I fear that you will make no perceptible impression on those American men and women who are devout on behalf of the socialization of industries and utilities."

'Tis true 'tis pity;
and pity 'tis 'tis true!

W.T.

YOU CAN GO INTO PRODUCTION NEXT WEEK!

At this large mid-west factory you will find complete production facilities. A growing concern offers part of its extensive manufacturing equipment on a contract basis. Including a 52 year experience.



FOR a certain business man who wants to jump a good many manufacturing hurdles, here is undoubtedly the opportunity. This organization is well accustomed to the problem of getting into production on a new product very rapidly. Its facilities for many years have been geared up to the need for producing for others a wide variety of products.

A further and perhaps more important advantage is in its low operating cost. Practically every detail that can contribute to reducing the cost of handling and producing manufactured articles has been incorporated into the layout of this factory. This cost reduction tendency is evident in the financial, as well as in the manufacturing, structure. There being here no bonded indebtedness, no financial obligations to banks, no preferred stock, the financing

costs which must inevitably enter into the price of the manufactured product are at an absolute minimum.

Several nationally famous products have been made here for years, and the relationships with the backers of these products have been extremely happy ones.

There is now room for one more client. This is the opportunity virtually to own a large factory with none of the troubles of owning it.

Address R. F. List, President, Belvidere, Ill.

Gray iron castings, metal stamping, and screw machine products. Assembling facilities for complete products. Our own cabinet factory in nearby city. Offices in New York and Chicago.

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C THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

We're Playing a New Course Now

THE first time I ever broke 80 I had a 73. Immediately I was a 73 golfer.

The only trouble was that I didn't play in the 70's again for a couple of years.

But all the time while I was playing my regular game in the 80's or 90's or 100's I was worrying because I wasn't breaking 80.

A few years after that, on a short course, I had a 70. That afternoon, playing a little better golf on a new, long, hard course, my score was 101.

So then and there I decided to try to shoot them far and straight and stop worrying about whether I was a 73 golfer or an 83 or 93 or 103 golfer. Or no golfer at all!

This has been a tough year for the great American pastime of How-are-sales-compared-to-this-time-last-year.

The president of one company, the leader in its industry, said the other day that only three men know the sales figures in his company these days. He publishes only its net, and for the first and second quarter of 1931 the net is well ahead.

A lot of us are wistfully turning over the records of 1928 and 1929 and perhaps of 1930 and then going out with a load of gloom based on comparisons.

We forget that we are playing a new, long, hard course!

The par on it is a hard one. The fairway is narrow and the rough is thick and high. And there is a good deal of wind. And we are using a new ball that rims the cup and won't fly as the old one did.

But there is a lot of sound golf being played and if we can shoot each shot for itself and make it straight and as far as possible, it will be a pretty fine round—if we don't keep worrying about that 73!

ROY DURSTINE

Vice-president & Genl. Mgr.
Batten, Barton, Durstine & Osborn, Inc.
New York City

OVER